

ALFRED DUMA LOCAL MUNICIPALITY

KZN238



2017/2018 Medium-Term Budget

KZN238 – ALFRED DUMA LOCAL MUNICIPALITY
2017/2018 Medium-Term Budget

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KZN 238 DRAFT MEDIUM TERM BUDGET: 2017/2018

PART 1 – EXECUTIVE SUMMARY BY THE EXECUTIVE DIRECTORS: FINANCE (CFO)

In terms of Section 16(2) of the MFMA, I present before you the 2017/18 Final Budget for KZN238 and outer limits in respect of the 2017/18 Final Medium Term Budget. The Municipality has consulted the various political peers on the final 2017/18 budget.

The Financial modelling plan of the Operational Budget for the 2017/18 financial year is attached.

Each category of the budget has been outlined. It should be noted that currently, the Operational Budget is in a surplus of R12.6 million noting that this excludes unfunded depreciation of R35.4 million. This portion of depreciation could not be funded from the tariffs proposed for the 2017/18 financial year as it could result in extremely high and unaffordable tariffs for the consumers and ratepayers of the municipality.

Furthermore, the Capital Budget presented amounts to R89.6 million. It should be noted that the municipality is currently experiencing financial constraints in terms of funding the capital budget for the 2017/2018 financial year.

The final operational budget is currently in a surplus of R12.6 million and cannot fund all of the Capital Budget for the current or outer years. The Council portion of the Capital budget of R11.9 million will be funded from previous years' cash-backed accumulated surpluses. However, it must be noted that the accumulated surpluses are currently not fully cash backed in the municipality. It must also be noted that this method of financing of the Capital budget places tremendous strain on our cash flow. Furthermore, our cost coverage ratio based on this budget is projected at 0.98: 1 which is well below the Treasury norm of 3:1. The cost coverage ratio of the municipality is therefore being monitored.

The KZN238 Final Medium Term Budget for 2017/2018 financial year is analysed as follows:

BUDGETED REVENUE – R 846.2 MILLION

- 1) The total rates income amounts to R 171.7 million which is based on an increase in the rates income of 10% due to the new general valuation roll.
- 2) A tariff increase of 6 % on Refuse has been applied in the 2017/18 financial year, and amounts to R 23.2 million.
- 3) The Local Government Equitable Share, received from Central Government, in the amount of R 190.2 million has been budgeted for, as per the DORA allocation for the 2017/2018 financial year.
- 4) Traffic and Licensing income amounts to R 15.8 million.
- 5) The Electricity tariff is subject to an overall increase of 1.88% for domestic consumers which is in line with the NERSA guideline, noting that these tariffs are

subject to approval by NERSA and amounts to R 310.4 million. For Bulk Consumers, an increase of 0.31% has been proposed for implementation.

- 6) An Electricity Availability charge on vacant land was budgeted at R2.1 million.

7) Grant Income

The following operating grants are included in the Budget:

Museum Subsidy	R 183 000
Recapitalisation of the Libraries	R 776 000
Provincialisation of Libraries	R 4 198 000
Financial Management Grant	R 3 600 000
Expanded Public Works Programme	R 3 347 000
Operational Cost – Accredited Municipality	R 3 959 000
Demarcation Transition Grant	R 4 566 000
Development Planning and Shared Services	R 1 100 000
Schemes Support Programme	R 1 000 000
Total	<u>R22 729 000</u>

- 8) Other revenue in the amount of R 11.9 million includes R1.2 million for rental income and rates penalties of R 5.6 million. It also includes the income generated from the minor tariffs e.g. hall hire, fire brigade services, photocopies, burial fees etc.
- 9) Interest income – An amount of R 17.8 million has been allocated. This income is derived from raising of interest on the service accounts and the interest to be derived from investments. The interest rates on arrear accounts not yet handed over will be charged at 10.25% p.a. in accordance with the National Credit Act, in respect of arrear accounts arising after 31 July 2014. Arrear accounts arising before 1 August 2014 will continue to be charged at an interest rate of 9% p.a.
- 10) Lease of Land - This is the income derived from Messrs Afrisam for the use of the quarry. An amount of R480 thousand has been allocated.
- 11) Sundries - These are fees that are payable for the purchase of bid documents, rates clearance certificates, ploughing fees, and lost book fees. An amount of R 812 thousand has been allocated.
- 12) Credit Control Income – These funds are derived from the collection of arrears by the Credit Control unit. An amount of R 705 thousand is expected to be collected.
- 13) Refund Skills Development Levy - This is the refund that is claimed from SETA for the training that is provided to municipal staff members. An amount of R 409 thousand is expected to be claimed.
- 14) Third Party Vending - There is an amount of R 61 thousand that has been estimated, noting that the cost is charged to all consumers using any of the third party vendors to pay their respective municipal accounts.

15) Capital Grants - This includes the following:

MIG	R 62.7 m
INEP	R 15.0 m
Total	<u>R 77.7 m</u>

BUDGETED EXPENDITURE: R755.9 MILLION (EXCLUDING UNFUNDED DEPRECIATION)

Salaries and Allowances – R263.1 million (excluding labour charge – outs)

- 1) The R 208.6 million reflects the cost to Council packages of all existing staff and budgeted staff vacancies.
- 2) An increase of 7.36 % has been provided for in terms of the Bargaining Council agreement – R 14.3 million for municipal employees.
- 3) An amount of R 4.2 million has been budgeted for Overtime and R 4 million has been budgeted for Standby.
- 4) An amount of R 21.7 million is allocated for the Expanded Public Works Program. The Grant funding is R3 million and Council funding is R18.7 million.
- 5) An amount of R800 thousand is budgeted for Finance interns and it is funded by the FMG Grant.
- 6) An amount of R776 thousand is budget for Cyber Cadet and it is funded by the Recapitalisation of Library Grant.
- 7) An amount of R2.1 million is allocated for library employees and it is funded by the Provincialisation of Library Grant.
- 8) R3.2 million has been allocated for Employees Bonus Provision.
- 9) R 987 thousand has been allocated for the performance bonuses of section 57 employees.
- 10) Councillor Allowances Existing – R 22.9 million.
- 11) A 7.36% increase of R 1.7 million has been budgeted for Councillor Allowances. However, the actual final percentage increase is normally finalized in December for Councillors Allowances. Traditional Leaders Allowance has been budgeted for at R87 thousand.
- 12) An amount of R3.6 million has been budgeted for Pensioners Medical Aid. The pensioner's medical aid is a post retirement benefit for ex-employees of the municipality.

- 13) An amount of R7.2 million has been budgeted for Leave Reserves.
- 14) An amount of R3.2 million has been budgeted for Long Service Awards
- 15) Total Salaries and Allowances, for employees and Councillors totalling R263.1 million amounts to 35% of the total projected expenditure after charge outs and excluding unfunded depreciation. The gross salary ratio as a percentage of total expenditure including unfunded depreciation is 38%. It should further be noted that R 35.9 million will be used for direct labour costs charged out to repairs and maintenance and capital projects that may require in-house labour. Due to the current cash flow constraints and the low cost coverage ratio, the conversion of job creation workers to permanent employment has not been budgeted for.

General Expenses – R 346.3 million which includes the following:

- 1) Free Basic Electricity of R 8.2 million and Free Basic Refuse of R 3.6 million have been set aside to fund indigent consumers who receive the 50kWh free electricity and the refuse removal service free of charge.
- 2) R 4.9 million has been budgeted for Rates Indigency by application.
- 3) The projected increase for Electricity purchases was based on 0.31%, which is subject to NERSA's approval, which will amount to an estimated amount of R204.1 million. This also includes an additional margin for uncertainty of demand.
- 4) Land Use Management System - The allocation of R181 thousand has been catered for the development of the LUMS plan.
- 5) R5 million has been provided for the Planning Study for the new property development.
- 6) R700 thousand has been provided for emergency relief.
- 7) Youth Programmes – These includes the programme of Youth Development, Youth Advisory Centre, Youth Month and Youth Mass Skilling. R2.4 million has been allocated.
- 8) Training - These funds are used by employees to attend training workshops, as well as to enrol at tertiary institutions to further their education for which an amount of R2.3 million has been allocated. This amount also includes funds for capacity building of Councillors.
- 9) Postage Services - This amount includes the bulk postage of municipal accounts, as well as the individual postage costs incurred by the departments for which an amount of R1.1 million has been allocated.

- 10) R143 thousand has been allocated for funeral assistance which is used for the burial of people who cannot afford having a funeral.
- 11) Audit Fees - An amount of R5.6 million has been allocated for the payment of audit fees charged by the Auditor General.
- 12) Legal expenses for the Municipality has a budget of R884 thousand. These funds are used by the legal section in the implementation of the legal process for the collection of arrear debt, as well as legal expenses that may arise from defending lawsuits should any occur.
- 13) Financial Systems update has a budget of R2.5 million which will be used by the Finance Department for systems support and updates.
- 14) An amount of R5.5 million has been allocated for the functioning of the ward committees which will be used by the Public Participation unit for the payment of the remuneration packages and training of the ward committee members.
- 15) R700 thousand has been budgeted for the provision of free basic alternate energy to be utilised by the Electricity Department.
- 16) SARS Skills Development Levy - An amount of R2.2 million has been budgeted to be paid to SARS for the development of skills, noting that these funds can be claimed from the SETA when the municipality incurs training costs.
- 17) R7.3 million has been budgeted for transport costs (fuel and oil, licensing) to run the vehicles within all the departments.
- 18) Conference and Delegations – An amount of R2.2 million has been allocated which funds are being used by the municipality for the attendance of conferences, workshops and seminars which includes accommodation and travelling costs.
- 19) Telephone and Fax – An amount of R4.5 million has been allocated to fund the payment of Telkom and cellular phones accounts.
- 20) Electricity – An amount of R6.2 million has been allocated for the payment of the municipality's electricity accounts.
- 21) R310 thousand has been allocated for the reconnections and disconnections to be carried out by the Electricity Department.
- 22) Insurance – An amount of R2.2 million has been budgeted for insurance.
- 23) Printing and Stationery – An amount of R2.4 million has been allocated which is used for the photocopy machine rentals and printing costs.
- 24) Sports Activities – An amount of R1.5 million has been allocated and includes Sports and Recreation, SALGA Games and Sports Events.

- 25) Events – An amount of R5.1 million has been allocated for this item which is used to fund the costs of functions that are arranged by the Office of the Mayor.
- 26) Self-Insurance Fund – An allocation of R1.3 million has been made for the payment of repairs to municipal assets, noting that the purpose of the fund is to reduce the insurance premium that is paid by the municipality.
- 27) An amount of R1.8 million has been allocated for the payment of Workman's Compensation, which is a legislative requirement.

28) Grant Expenditure

The following grants are included in the Budget:

Museum Subsidy	R 129 500
Provincialisation of Libraries	R 1 824 580
Financial Management Grant	R 2 800 000
Operational Cost – Accredited Municipality	R 3 959 000
Expanded Public Works Programme	R 347 000
Demarcation Transition Grant	R 4 566 000
Development Planning and Shared Services	R 1 100 000
Schemes Support Programme	R 1 000 000
Total	<u>R15 726 080</u>

The Expanded Public Works Programme budget of R3 000 000 has been shifted to salaries. For the Financial Management Grant, R800 000 for the Finance interns has also been shifted to salaries. The Provincialisation of Libraries of R2 140 000 for Library employees and the Recapitalisation of the Library Grant of R776 000 for Cyber Cadets has been shifted to salaries. The Museum subsidy of R53 500 has also been shifted to salaries to pay for weekend overtime and standby.

- 29) Development Plans and Local Economic Development - An amount of R 544 thousand has been allocated for the purpose of various studies such as services provision, feasibility studies, NPA sites and development of local economic.
- 30) Water - An amount of R 2.3 million has been allocated for the payment of water bills to the UThukela District Municipality, noting that the invoices received from the District are highly erratic. Although the average actual expenditure has been used to project the increase, the expenditure is inconsistent from month-to-month.
- 31) Streetlights – An amount of R 5.7 million has been allocated for the payment of the electricity accounts for streetlights in the municipal area.
- 32) Security Services – An amount of R 6.5 million has been allocated for this function.
- 33) Protective Clothing - An amount of R 2.3 million has been allocated which is for the purchase of protective clothing for the job creation, as well as for permanent staff members.

- 34) Consultants – An amount of R 5.3 million has been allocated for the use of consultants which includes Asset management, Source Funding for Economic Development, Infrastructure and Services.
- 35) ID Book Campaign – An amount of R50 thousand has been allocated for this function.
- 36) Klipriver Maintenance - There is an allocation of R 200 thousand for the maintenance of the foliage along the river, as well as to dredge the riverbed.
- 37) Other General Expenses – Comprises of the amount of R23 million which inter alia includes in this category of expenditure the ad-hoc items e.g. AIDS awareness programmes, material and sundries, etc. as well as:
- Bank Charges – R1.6 million.
 - Publicity – R650 thousand for branding, advertising and marketing of the municipal corporate image, printing of the Municipal newsletter.
 - Advertising – R843 thousand for all adverts to national and local newspapers
 - R160 thousand for the Survey costs and registrations for appointment of a professional land surveyor.
 - R2.4 million for Subscriptions and membership fees.

Repairs and Maintenance – R 68.4 million which includes the following:

- 1) R1.4 million has been allocated for the payment of the license fee and modifications to the financial system as well as the purchase of the operating systems e.g. the Windows programme for new computers.
- 2) R 15.9 million has been allocated for roads – tarred and earth.
- 3) R 6.8 million has been allocated for storm water maintenance.
- 4) R 794 thousand has been allocated for the levelling of the landfill site.
- 5) R 988 thousand has been allocated for the surveillance cameras.
- 6) R 3.7 million has been allocated for the maintenance of the electricity network.
- 7) R4.1 million has been set aside for Electricity Refurbishment.
- 8) R 2.1 million has been allocated for the substation equipment and building maintenance.

- 9) R 2.3 million has been allocated for the maintenance of the streetlights, noting that many of the streetlights are old and the parts are obsolete and require full replacement of the heads in these instances.
- 10) R 2.7 million has been allocated for the purchase of new electricity meters, as well as the costing of the meter readers, the checking of readings and purchase of equipment for installation.
- 11) House Service Overhead Mains – An amount of R 3.2 million has been allocated to be used for the maintenance of lines to households.
- 12) Buildings – An amount of R 781 thousand has been allocated to be used for maintenance to municipal buildings.
- 13) Hardware – An amount of R 106 thousand has been allocated to be used for the maintenance of computer hardware.
- 14) Low Water Crossings- An amount of R 352 thousand has been allocated.
- 15) Job Creation Charge Out – An amount of R12.3 million has been budgeted for charge outs to repairs and maintenance in respect of Job Creation workers that execute the repairs and maintenance duties.
- 16) Transport – An amount of R7.7 million has been budgeted for repairs and maintenance of vehicles within all departments.
- 17) Other Repairs and Maintenance - The balance of R 3.2 million constitutes repairs to furniture, office equipment, cell phones, buildings, plant, street marking, and hydrants and metering. R 470 thousand is allocated for repairs and maintenance of sports infrastructure and R988 thousand is also allocated for surveillance cameras.

Departmental Charges – R56.1 million:

These are internal charges and are recovered via the charge-out rate. The net effect of these internal charges against the charge-out rate is R nil.

Departmental Charges	R56.1 million
Total Charge outs	(R56.1 million)

Capital Charges – R26.5 million which includes the following:

Depreciation	R 34.1 million
Existing External Loans	R 493 thousand
Impairment of Assets	R 1.9 million

Depreciation charges are a GRAP 17 requirement. The total depreciation charges are estimated at R 69.5 million.

The depreciation on all assets that existed until June 2017 have been accounted for in the amount of R 69 531 068.

To fund the total estimated depreciation of R 69.5 million will result in tariffs being very high and unaffordable to the consumers. National Treasury recognises this in MFMA Circular 42 – funding a municipal budget. A phased increase or re-alignment in tariffs may need to be considered to compensate the deficit to a surplus by a progressive move through gradual tariff increases or the re-alignment of municipal revenue.

The community needs to make a sufficient contribution towards the economic benefit that is generated from the assets over the medium term budget period.

Currently, the municipality has opted to fund R 34.1 million of the total depreciation expense.

Loan Repayments

The municipality currently has two loans to service for the Tsakane Substations with ABSA Bank and the other is with the Development Bank of South African (DBSA). The budgeted figure of R493 thousand is provided.

Impairment of Assets

This relates to asset impairment in terms of GRAP 17. The budgeted figure of R 1.9 million has been provided.

Contributions - R 55.4 million which includes the following:

Bad Debt Reserve	R 37.7 million
Rates Reduction: Pensioners/ Disabled/ Medically Boarded Persons and Child Headed Households	R 3.8 million

A twenty five (25%) rates reduction for pensioners will be granted to any pensioner aged sixty (60) years and older on application if the pensioner's gross household income is R15 000 and less. This reduction must be applied for in the 2017/18 financial year.

A medically boarded person with a gross household income of R15 000 and less will receive a discount of fifteen (15%) on their rates assessment. This reduction must be applied for in the 2017/18 financial year.

Disabled persons with a gross household income of R15 000 and less will receive a discount of twenty five (25%) on their rates assessment. This reduction must be applied for in the 2017/18 financial year.

Child headed households with a gross household income of R15 000 and less will receive a discount of one hundred (100%) on their rates assessment. This reduction must be applied for in the 2017/18 financial year.

A discount of 5% will be granted to all owners of property except for State and PSI, who will pay their rates in advance in full by 31 August 2017.

CAPITAL BUDGET: 2017/2018

The Capital Budget of R89.6 million will be funded as follows:

- R 77.7 million from grant funding
- R 11.9 million from revenue funding.

The capital programme has been separated into eight clusters.

Identified Priority Projects:

● Streetlighting in Blue Bank Ward 26	R 1.5 m
● Tarred Roads in Wards 3	R10.0 m
● Mini Facility/Creche in Ward 4	R 2.0 m
● Installation of High Mast Lights in Ward 7	R 1.5 m
● Installation of High Mast Lights in Ward 27	R 1.5 m
● Community Hall Ward 8	R 4.0 m
● Burford Sportsfield Phase 2	R 2.0 m
● Electrification of Burford Phase 2	R 4.3 m
● Electrification of Pepworth Phase 2 Ward 14	R 7.7 m
● Electrification of Cremin Phase 2 Ward 24	R 3.0 m
● Streetlighting in Eringini Ward 18	R 1.5 m
● Installation of High Mast Lights in Ward 19	R 1.5 m
● Landfill Site	R 4.2 m
● Furniture and Equipment	R 1.9 m
● Replacement of Municipal Fleet	R 10.0 m
● Ensongweni Road	R 6.0 m
● Zimba Gravel Road and Bridge	R 13.0 m
● KwaMnangeni Road	R 6.0 m
● KwaCilo to Tholeni River Road	R 8.0 m
TOTAL	R 89.6 m

That it be noted that the KZN238 Council's contribution for the 2017/2018 Capital budget is R11.9 million and due to the cash flow constraints of the Municipality, the Council funded portion has been reduced significantly to help improve the financial position of the Municipality. The Municipality has seen a downward trend in revenue collection due to the poor economic climate both locally and nationally. The actual cash position of the municipality will need to be monitored regularly to ensure that the municipality does not spend more than is available in the bank.

It must be noted that the Municipality, in its Integrated Development Plan, should focus on Revenue generating projects that will bring additional income to the Municipality.

That Council approves all projects that are Grant funded only and R11.9 million for the replacement of municipal fleet and furniture and equipment.

11

RECOMMENDATION BY THE EXECUTIVE DIRECTORS: FINANCE (CFO)

It is recommended that the Final Operational Budget and Capital Budget for the Alfred Duma Local Municipality KZN238 for the 2017/18 financial year be approved by Council taking cognisance of affordability, sustainability and the macro allowance of National Treasury.



M. HLOBA

EXECUTIVE DIRECTOR: FINANCE (CFO)

Reference: Ms B E Mkhwanazi – ext. 1163

23 May 2017/bem

File Ref. 5/1/3/1/1

OPERATIONAL BUDGET MODEL - ANNEXURE A1
KZN238 FINAL OPERATING BUDGET MODEL 2017/2018

	ITEM NUMBER	2016/2017 ANNUAL BUDGET	2016/2017 FIRST ADJUSTMENTS BUDGET	2016/2017 SECOND ADJUSTMENTS BUDGET	2017/2018 ANNUAL BUDGET	2018/2019 ANNUAL BUDGET	2019/2020 ANNUAL BUDGET
REVENUE							
Total Rates	9001	-156,130,774	-156,130,774	-156,130,774	-171,743,861	-182,048,482	-192,971,391
Refuse	9301	-21,915,982	-21,924,001	-21,924,801	-23,240,077	-24,834,482	-26,112,551
Equitable Share	9704/9709	-183,738,658	-183,738,658	-183,738,658	-190,231,000	-205,307,000	-215,398,000
Traffic & Licensing	9170/9162/9175	-16,425,984	-15,808,821	-15,808,821	-16,806,821	-18,739,424	-17,710,310
Electricity	9400-9407	-306,306,988	-307,149,835	-307,149,835	-310,382,537	-313,758,684	-317,192,353
Electricity Availability charge Vacant Land	9274	-2,125,174	-2,125,174	-2,125,174	-2,125,174	-2,250,559	-2,381,092
Grants	9091/9385/9271/9192/9225/9822/9708/9228/9229	-24,721,000	-24,155,519	-24,455,519	-22,729,000	-16,329,000	-17,082,000
Other		-14,661,971	-12,921,418	-12,921,418	-11,821,418	-12,407,588	-12,911,371
Interest Income	9131/9183/9230	-16,650,319	-17,810,956	-17,810,956	-17,810,916	-18,881,759	-19,865,741
Lease of land	9159	-397,424	-390,000	-390,000	-480,000	-508,320	-537,803
Sundries	9168	-1,294,500	-812,590	-812,590	-811,980	-859,887	-908,760
Credit Control Income	9255/9267	-825,597	-705,273	-705,273	-705,273	-746,884	-790,203
Refund Skills Development levy	9270	-408,832	-408,832	-408,832	-408,832	-432,963	-458,064
3rd party vending	9716	-577,035	-60,995	-60,995	-60,995	-84,593	-68,340
Capital grants	9221/9222/9223/9227/9072	-120,353,000	-125,398,481	-136,896,481	-77,749,000	-74,329,000	-77,107,000
TOTAL REVENUE		-865,792,738	-869,807,927	-861,307,927	-846,206,973	-869,338,698	-901,626,979
EXPENDITURE							
Salaries							
Salaries Existing Staff	1001	199,695,862	194,660,019	194,660,019	208,104,650	220,590,823	233,626,272
Bargaining Council Increase	1001	13,145,485	13,145,485	13,145,485	14,326,977	15,186,596	16,097,792
Overtime	1002	3,515,054	3,808,333	3,808,333	4,194,689	4,446,381	4,713,164
Standby	1022	3,570,408	3,217,191	3,217,191	3,991,976	4,231,494	4,485,383
Expanded Public Works Program/Job Creation	1003, 1024	17,045,000	21,989,053	21,989,053	21,687,795	22,829,279	24,019,038
FMG - Finance Intans	1026	610,000	800,000	800,000	800,000	800,000	800,000
Provincialisation of Library - Library Employees	1028	-	2,000,000	2,000,000	2,140,000	2,288,400	2,404,504
Recapitalisation of library - Cyber Cadet	1027	510,000	738,000	738,000	776,000	814,000	836,000
Museum Subsidy	1029	-	50,000	50,000	63,600	58,710	80,113
Employee Bonus Provision	1023	3,618,274	3,000,000	3,000,000	3,220,800	3,414,048	3,618,891
Performance Bonus - Section 57 Employees	1101	919,651	808,013	808,013	887,118	1,046,345	1,109,128
Councillor Allowances Existing	1500-1506	22,645,337	21,782,917	21,782,917	22,962,137	24,338,865	25,800,267
Councillor Allowances Increase	1500-1506	1,358,720	754,481	754,481	1,880,013	1,791,414	1,898,899
Traditional Leaders Allowance	1507	81,000	81,000	81,000	86,982	92,179	97,710
Pensioners Medical Aid					3,898,912	3,614,847	4,043,738
Leave Reserve					7,207,742	7,640,207	8,098,619
Long-service Awards					3,161,612	3,340,602	3,541,038
Less: Labour to be charged to maintenance		-33,551,761	-33,551,761	-33,551,761	-38,900,384	-38,054,407	-40,337,672
Total Emoluments		233,160,060	233,292,731	233,292,731	263,090,306	278,648,783	296,112,870
General Expenses							
Free Basic Electricity	2434	2,957,720	7,750,172	7,750,172	8,222,932	8,716,308	9,239,287
Free Basic Refuse	2433	8,061,841	3,385,889	3,385,889	3,692,428	3,807,974	4,036,453
Rates Indigency	2146	10,951,453	4,599,810	4,599,810	4,880,186	5,172,998	5,483,378
Bulk purchases - Electricity	2185-2186	199,036,601	203,128,297	203,128,297	204,141,829	205,162,639	208,188,452
LUMS	2504	180,600	180,600	180,600	180,600	181,436	202,922
Planning Studies	2203	-	-	-	5,000,000	1,000,000	-
Emergency Relief	2189	500,000	700,000	700,000	700,000	742,000	786,520
Youth Programmes	2312-2313, 2587, 2654	2,000,000	2,350,000	2,350,000	2,350,000	2,491,000	2,640,460
Training	2215, 2266	2,300,000	2,300,300	2,300,300	2,300,000	2,438,000	2,584,280
Postage Services Accounts	2178	1,003,150	1,001,650	1,001,650	1,082,781	1,126,516	1,194,107
Funeral Assistance	2176	80,000	143,000	143,000	143,000	151,580	160,675
Audit Fees	2117	3,508,360	5,241,360	5,241,360	5,681,083	5,894,748	6,248,433
Legal Expenses	2165	800,000	883,500	883,500	883,500	936,510	992,701
Financial Systems Update	2508-2509, 2545, 2556	1,500,000	3,418,000	3,418,000	2,481,000	2,629,860	2,787,852
Ward Committees	2507, 2524	3,280,000	2,860,000	2,860,000	5,480,000	5,808,800	6,157,328
Free Basic Alternate Energy	2533	700,000	700,000	700,000	700,000	742,000	786,520
SARS Skills development levy	2899	2,017,267	2,075,754	2,075,754	2,221,067	2,354,320	2,485,579
Transport	2220	11,455,205	13,503,076	13,503,076	7,269,300	7,895,494	8,157,224
Conferences and Delegations	2132/2133	1,184,760	2,224,233	2,224,233	2,234,233	2,388,287	2,510,384
Telephone & Fax	2218	3,720,591	4,197,856	4,197,856	4,463,828	4,721,183	5,004,433
Electricity	2300	4,677,020	5,870,215	5,870,215	6,228,298	6,601,996	6,988,118
Disconnections and Reconnections	2135	502,800	310,000	310,000	310,000	328,600	348,316
Insurance	2160	2,051,000	4,156,000	4,156,000	2,186,900	2,285,360	2,422,482
Printing & Stationery	2179	2,208,216	2,205,020	2,205,020	2,388,466	2,499,973	2,649,971
Sport Activities	2253, 2558, 2585	1,587,000	1,537,000	1,537,000	1,637,000	1,628,220	1,726,973
Events	2214	2,500,000	9,844,286	9,844,286	6,094,286	5,399,943	5,723,940
Self Insurance fund	2080	1,600,000	1,265,000	1,265,000	1,265,000	1,340,900	1,421,354
WCA	2451	1,735,400	1,735,400	1,735,400	1,841,259	1,951,735	2,068,839
Operational Grants Expenditure		19,522,677	16,081,519	16,381,519	18,726,880	9,389,890	9,981,383
Development Plans (LED)	2501, 2502	1,200,000	893,700	893,700	643,700	578,322	610,901
Water	2302	2,057,165	2,121,868	2,121,868	2,281,408	2,386,493	2,529,682
Streetslights	2301	2,722,350	5,374,985	5,374,985	5,702,869	6,045,030	6,407,732
Security services	2155, 2298	6,531,460	11,864,840	11,864,840	6,600,000	6,880,000	7,303,400
Protective Clothing	2232	2,058,008	2,281,008	2,281,008	2,281,008	2,417,888	2,562,941
Capital Ex Revenue	2443	1,500,000	1,910,334	1,910,334	-	-	-
Consultants	2592/2459	6,499,000	7,275,000	7,275,000	5,275,000	5,591,500	5,926,990
ID Book Campaign	2173	100,000	50,000	50,000	60,000	53,000	56,180
Kilipriva Maintenance	2384	200,000	200,000	200,000	200,000	212,000	224,720
Other General Expenses		32,414,772	24,354,404	24,354,404	23,183,276	25,461,047	26,988,710
Total General Expenses		346,783,206	369,748,978	369,049,978	346,322,166	346,212,611	353,609,416

Repairs and Maintenance							
Software	3350	1,332,198	1,332,198	1,332,198	1,413,462	1,496,270	1,586,166
Roads Tarred and Earth	3341, 3346	14,954,050	14,954,050	14,954,050	16,866,247	16,818,222	17,827,315
Stormwater	3390	6,448,000	6,432,000	6,432,000	6,824,382	7,233,813	7,667,842
Levelling of Dump site	3325	748,000	748,000	748,000	793,628	841,246	891,720
Surveillance Cameras	3362	331,200	931,200	931,200	988,003	1,047,283	1,110,120
Electricity Mains	3333	2,806,330	2,556,330	2,556,330	3,712,266	3,835,002	4,171,102
Electrical Refurbishment	3335		2,000,000	2,000,000	4,122,000	4,369,320	4,831,479
Substation equipment and Building	3355	1,060,000	1,060,000	1,060,000	2,124,680	2,252,140	2,367,268
Streetlighting	3359	2,280,750	2,160,750	2,160,750	2,292,566	2,430,109	2,575,916
Metering	3330	2,504,481	2,506,378	2,506,378	2,669,267	2,816,823	2,967,952
House service O/H	3316	2,981,846	2,981,846	2,981,846	3,174,349	3,364,810	3,566,698
Buildings	3302	749,739	775,891	775,891	780,780	827,627	877,284
Hardware	3317	113,968	100,318	100,318	106,437	112,824	119,593
Low Water crossings	3409	331,600	331,600	331,600	361,828	372,937	385,313
Job Creation - Charge Out	3124	11,604,338	11,604,338	11,604,338	12,312,203	13,050,935	13,833,991
Transport - Repairs and Maintenance	3322		0	0	7,740,100	8,204,506	8,696,776
Other Repairs and Maintenance		3,759,905	3,055,233	3,055,233	3,183,247	3,374,242	3,576,696
Total Repairs & Maintenance		51,998,405	53,540,132	53,540,132	66,446,386	72,562,108	76,905,324
Capital Charges							
Depreciation	5010	22,700,000	22,700,000	22,700,000	34,064,700	36,129,782	38,297,569
Existing Loans	5001	591,450	591,450	591,450	482,762	451,221	406,509
Impairment of Assets -5023	5023	2,853,313	1,943,313	1,943,313	1,943,313	2,059,912	2,183,508
Total Capital Charges		26,144,763	25,234,763	25,234,763	36,520,775	38,640,914	40,887,586
Contributions							
Pensioners Medical Aid	6111	4,353,369	3,392,000	3,392,000			
Leave Reserve	6004	6,793,348	6,793,348	6,793,348			
Rates Rebates	6112	1,628,000	3,807,398	3,807,398	3,827,450	4,067,097	4,300,522
Non-Payment	6001	23,700,000	35,496,767	35,496,767	37,862,070	39,921,794	42,317,102
Long-service Awards	6013	2,970,322	2,970,322	2,970,322			
Total Contributions		39,445,039	52,268,836	52,268,836	41,689,520	43,976,891	46,617,625
Departmental Charges	4001-4008	52,920,282	52,920,282	52,920,282	56,148,419	59,517,324	63,068,364
Less : Charge Out	8000	-52,920,282	-52,920,282	-52,920,282	-56,148,419	-59,517,324	-63,068,364
NET EXPENDITURE		697,529,483	724,077,441	724,377,441	766,866,163	779,033,208	813,132,729
Unfunded Depreciation		66,834,109	63,436,393	63,436,393	35,446,368	37,673,160	39,827,539
(SURPLUS)/DEFICIT Excl Unfunded Depreciation		-166,263,275	-145,430,486	-166,930,486	-90,338,520	-90,305,388	-88,393,250
Unfunded Depreciation		66,834,109	63,436,393	63,436,393	35,446,368	37,673,160	39,827,539
NETT(SURPLUS)/DEFICIT INCL Unfunded Depreciation		-111,429,166	-81,994,093	-103,494,093	-54,892,152	-52,732,228	-48,565,710
Capital grants		-120,363,000	-125,396,481	-136,856,481	-77,749,000	-74,329,000	-77,107,000
NETT(SURPLUS) excluding capital grants, excluding unfunded depreciation		-47,910,275	-20,034,005	-20,034,005	-12,689,820	-15,876,388	-11,286,250
SALARIES AFTER CHARGE OUT AS A % OF TOTAL EXPENDITURE BUDGET		33%	32%	32%	36%	36%	36%
MSCOA GROSS SALARIES AS A % OF TOTAL EXPENDITURE BUDGET					36%	39%	39%
DEPRECIATION							
TOTAL		79,534,109	76,136,393	76,136,393	69,531,068	73,702,932	76,125,108
FUNDED		22,700,000	22,700,000	22,700,000	34,064,700	36,129,782	38,297,569
UNFUNDED		66,834,109	63,436,393	63,436,393	35,446,368	37,673,160	39,827,539

ALFRED DUMA LOCAL MUNICIPALITY - KZN238

2017/2018 CAPITAL BUDGET

NO.	PROJECT DESCRIPTION	2017-2018			2018-2019		2019-2020		SOURCE OF FUNDING
		GRANT	COUNCIL	GRANT/COUNCIL	GRANT/COUNCIL	GRANT/COUNCIL	GRANT/COUNCIL	GRANT/COUNCIL	
CLUSTER 1 (Rooseboom, Colenso & Bloebens)	STREETLIGHTING IN BLUE BANK WARD 28(MIG)	R 1,500,000							MIG
	TARRED ROADS IN COLENSO (MIG)				R 15,000,000				MIG
	STREETLIGHT IN WARD 13 (MIG)						R 2,000,000		MIG
	STREETLIGHT IN WARD 11 (MIG)						R 2,000,000		MIG
CLUSTER 2 (Ezakheni, St. Chads & Mckisheni)	TARRED ROADS IN WARD 3 (MIG)	R 10,000,000							MIG
	MINI FACILITY/ CRECHE IN WARD 4 (MIG)	R 2,000,000							MIG
	INSTALLATION OF HIGH MAST LIGHTS IN WARD 27 (MIG)	R 1,500,000							MIG
	INSTALLATION OF HIGH MAST LIGHTS IN WARD 7 (MIG)	R 1,500,000							MIG
	COMMUNITY HALL WARD 8 (MIG)	R 4,000,000							MIG
	TARRED ROADS WARD 6 & 8 (MIG)				R 22,012,560				MIG
	TARRED ROADS IN WARD 1 & 2 (MIG)						R 18,000,000		MIG
	AREA AROUND EZAKHENI PLAZA PHASE 1				R 7,000,000				UTHUKELALOAN
	AREA AROUND EZAKHENI PLAZA PHASE 2				R 12,978,950				UTHUKELALOAN
	CCTV CAMERAS IN EZAKHENI PHASE 2				R 2,000,000				LOAN
CLUSTER 3 (Jomono & Nkomo)	AREA AROUND EZAKHENI PLAZA PHASE 3						R 15,000,000		UTHUKELALOAN
	STREETLIGHTS WARD 23 (MIG)								
	ELECTRIFICATION HOUSEHOLDS IN CREMIN PHASE II WARD 24 (INEP)	R 3,000,000			R 2,000,000				MIG
CLUSTER 4 (Watermeat, Peacelown & Burford)	BURFORD SPORTFIELD PHASE 2 (MIG)	R 2,000,000							MIG
	ELECTRIFICATION OF HOUSEHOLDS IN PEPWORTH PHASE II WARD 14 (INEP)	R 7,700,000							INEP
	ELECTRIFICATION OF HOUSEHOLDS IN BURFORD PHASE II WARD14 (INEP)	R 4,300,000							INEP
	STREETLIGHTING IN ERINGINI (WARD 18) (MIG)	R 1,500,000							MIG
	VEHICULAR BRIDGE PEACETOWN TO HOPSLAND (MIG)				R 5,000,000				MIG
CLUSTER 5 (Driefontein & Klairfontein)	INSTALLATION OF HIGH MAST LIGHTS IN WARD 19 (MIG)								
	STREETLIGHTING IN WARD 17 (MIG)	R 1,500,000					R 2,000,000		MIG
CLUSTER 6 (Acaciaville, CBD & Smeatville)	INDOOR AND AERODROME DEVELOPMENT BULK SERVICES								
	FURNITURE AND EQUIPMENT				R 26,707,000				UTHUKELALOAN
	REPLACEMENT OF MUNICIPAL FLEET				R 2,002,337		R 2,122,477		COUNCIL
	PURCHASE OF LAND - COLENSO				R 10,000,000		R 12,000,000		COUNCIL
	EXTENSION OF COVE CRESCENT BULK SERVICES				R 8,000,000				LOAN/DOH INTERST
	INDOOR DEVELOPMENT PHASE 2				R 10,000,000				LOAN
					R 20,000,000				UTHUKELALOAN

1. Mayoral Budget Speech

Honourable Speaker, today I am indeed honoured to present to this Council the final original budget of Alfred Duma Local Municipality for the 2017/2018 MTREF.

Honourable Speaker, our country remains in a negative economic outlook due to the weak global economy. Our country's domestic GDP growth rate is forecasted at only 0.5%. The CPI inflation rate for 2017/18 is forecasted at 6.4%. National Treasury's MFMA Circular 85 (Municipal Budget Circular for the 2017/2018 MTREF) indicates that the global recovery from the 2008 financial crisis remains unstable. The circular further highlights that countries that are highly reliant on foreign savings, such as South Africa, will remain vulnerable to global financial volatility and rapid capital outflows. While global economic weakness plays a large role in South Africa's economic growth performance, domestic constraints stand in the way of investment, output and trade.

Honourable Speaker the economic challenges that we face will continue to limit the revenue generation of the municipality and collection levels. We will have to improve our municipality's efforts to limit non-priority spending and to implement stringent cost-containment measures.

Operational Budget

Honourable Speaker, for the next financial year, the Local Government Equitable Share and other various capital and operational grants amounts to R291 million. 66% of the budget is funded by our own contributions this year. Therefore, it is important to note that the collection of revenue, including arrear debt, remains a fundamental funding source of this budget. The operational budget for the 2017/18 financial year is budgeted with a surplus of R12.6 million but excludes unfunded depreciation of R35.4 million.

Capital Budget

Honourable Speaker, our capital budget for the 2017/18 financial year is budgeted at R89.6 million of which R77.7 million will be funded from grants and R11.9 million will be funded from Council's own contribution. The grant funding of R77.7 million includes an allocation of R62.7 million in respect of the Municipal Infrastructure Grant (MIG) and R15 million in respect of Integrated National Electrification Programme (INEP). The capital budget focuses mainly on integral infrastructure projects such as roads, streetlighting and electrification.

Honourable Speaker the high inflation rate, together with the high costs of electricity and the recent drought experienced in our country affects the pockets of our consumers and this ultimately affects the funds available at our municipality. We continue to struggle with the challenge to be able to meet all the needs of our people due to our limited financial resources. We therefore all need to play a part in improving the financial resources of the

municipality by encouraging all those who can afford to pay for services to do so and to look at ways of expanding the revenue base of the municipality. We also need to ensure that our spending is strictly controlled and non-priority spending is curbed.

Honourable Speaker, I wish to close this Budget Speech in memory of our late great leader and freedom fighter, the honourable Oliver Reginald Tambo who would have been 100 years old this year had he still been living, and in keeping with the theme of SONA 2017, by reminding this Council that *"Together we move South Africa forward"*.

2. Budget Related Resolutions

2.1. Council resolves that the annual budget of the municipality for the financial year 2017/18; and indicative for the two projected outer years 2018/19 and 2019/2020 be approved as set-out in the following schedules:

2.1.1. Table A1 Budget Summary.

2.1.2. Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification).

2.1.3. Table A3 Budgeted Financial Performance (revenue and expenditure by Municipal vote).

2.1.4. Table A4 Budgeted Financial Performance (revenue and expenditure).

2.1.5. Table A5 Budgeted Capital expenditure vote, standard classification and funding.

2.1.6. Table A6 Budgeted Financial Position.

2.1.7. Table A7 Budgeted Cash flows.

2.1.8. Table A 8 Cash backed reserves/ accumulated surplus reconciliation.

2.1.9. Table A9 Asset Management.

2.1.10. Table A 10 Basic service delivery measurement.

2.2 Council resolves that property rates reflected below and any other municipal tax reflected in **Annexure 1 'Tariff Policy'** and **Annexure 3 'Municipal Property Rates Policy'** are imposed for the budget year 2017/18.

The property rates tariffs apply in the jurisdiction of Alfred Duma Local Municipality in term of the new general valuation roll of KZN238:

Category	Tariff	Exemption	Phasing In	Impermissible per property R	Rebate
Residential	0.01139	No	No	100 000	No
Farms: Residential	0.01139	No	No	100 000	No
Smallholdings: Residential	0.01139	No	No	100 000	No
Commercial and Business	0.01996	No	No		No

Farms: Comm/Bus	0.01996	No	No		No
Industrial	0.01284	No	No		No
Farms: Agriculture	0.00277	No	No		No
Smallholdings: Agriculture	0.00276	No	No		No
Public Service Infrastructure	0.0000	Yes	No		No
Vacant Land	0.04109	No	No		No
Rural Communal	0.0000	Yes	No		No
Game Hunting and /or Eco Tourism	0.01996	No	No		No
Municipal Properties	0.0000	Yes	No		No
State (Public Service Purposes)	0.02513	No	No		No
Public Benefit Organisations	0.0000	Yes	No		No
Religious (Place of Public worship)	0.0000	Yes	No		No
Public Open Space	0.0000	Yes	No		No
Municipal Vacant Land	0.0000	Yes	No		No

- 2.3 That the refuse tariffs be increased by 6% with effect from 1 July 2017 in terms of chapter 4 of the Municipal Finance Management Act No 56 of 2003; the detailed tariffs being detailed in the **Tariff policy** as per **Annexure 1** attached to the agenda.

- 2.4. That should it be necessary, a Municipal adjustments budget be prepared in accordance with Section 28 of the Municipal Finance Management Act No 56 of 2003.
- 2.5 That funds from the electricity surplus be applied to fund other municipal expenditure.
- 2.6 That interest of 10.25% per annum on arrear rates accounts not yet handed over be charged, in respect of arrear accounts arising after 31 July 2014 and interest of 9% per annum be charged on arrear accounts not yet handed over arising before 31 July 2014.
- 2.7 That interest on service charges will be levied at 10.25% per annum on arrear accounts not yet handed over in respect of arrear accounts arising after 31 July 2014. Interest on service charges arrear accounts arising before 31 July 2014 and not yet handed over will be continue to be levied at 9% per annum.
- 2.8 That interest of 9% be levied on handed over accounts for rates and services in respect of arrear accounts arising before 31 July 2014, and interest of 10.25% per annum will be levied in respect of handed over arrear accounts arising after 31 July 2014.
- 2.9 That tariffs and charges reflected in **Annexure 1 'Tariff Policy'** are approved for the 2017/18 budget year.
- 2.10 That the measurable performance objectives for revenue from each source and for each vote reflected in **Supporting Table SA7** are approved for the 2017/2018 budget year.
- 2.11 That the amended Integrated Development Plan **subject to amendments resulting from the consultation and IDP assessment** be adopted.
- 2.12 That the budget-related policies as attached in Annexure 1 to 13 be adopted.
- 2.13 That the final 2017/2018 SDBIP be adopted.
- 2.14 That Pensioners 60 years of age or older and with a gross household income of R15 000 and less will receive a discount of 25% on their rates assessment; this rebate must be applied for during the 2017/2018 financial year.
- 2.15 That Medically Boarded persons with a gross household income of R15 000 and less will receive a discount of 15% on their rates assessment; this rebate must be applied for during the 2017/2018 financial year.
- 2.16 That Disabled persons with a gross household income of R15 000 and less will receive a discount of 20% on their rates assessment; this rebate must be applied for during the 2017/2018 financial year.

- 2.17 That Child headed households with a gross household income of R15 000 and less will receive a discount of one hundred percent (100%) on their rates assessment; this reduction must be applied for in the 2017/2018 financial year.
- 2.18 That Consumers excluding state and PSI be granted a 5% discount should the total rates bill be paid in full in advance by the last working day in August for the 2017/2018 budget year.
- 2.19 That the automatic indigency threshold be removed and indigents apply for indigency.
- 2.20 That the electricity tariffs are increased by 1.88% for domestic and commercial consumers and 0.31% for Bulk consumers. The tariffs are further subjected to the restructuring in line with the economical generation of income. The tariffs are detailed in the **Tariff policy** as per **Annexure 1**.
- 2.21 That the budget is submitted to the relevant treasuries subject to the changes adopted by Council.
- 2.22 That the capital programme funded from revenue be funded from accumulated surpluses, based on the availability of cash funds.
- 2.23 That the Implementation of the capital programme is subject to the availability of funds.

3. Executive Summary

In order to ensure sound financial management it is important to plan financially for the long-term as well. The 2017/2018 MTREF includes the two future outer years and as such it includes a long-term financial overview and consideration of a 3-year budget.

Where appropriate, funds were transferred from low- to high-priority programmes so as to ensure that the limited financial resources are applied effectively in terms of priorities. The planned budget was also reviewed for non-core and 'nice to have' items.

Consultative Process

In accordance with Chapter 4, Paragraph 23 of the Local Government Municipal Finance Management Act No 56 of 2003, the 2017/2018 Final Budget has been taken to the public for comments. A community consultation process has been undertaken primarily through public meetings throughout the Municipal area.

Comments from the Public Consultation Meetings will be considered prior to the final budget being adopted by Council.

Alignment with Government Priorities

Alignment of the Municipal Budget with the National Development plan and the National Key Priority Areas is imperative to ensure that the Alfred Duma Local Municipality works towards the common goals of National Government. This will ensure that all organs of State follow an integrated approach in order to ensure that the outcomes of the National Development Plan are achieved. The theme for the State of the Nation Address for 2017 was "The Year of Oliver Reginald Tambo: Unity in Action Together Moving South Africa Forward." The budget for 2017/2018 of Alfred Duma Local Municipality is once again focussed on basic service delivery and infrastructure development as committed by National Government and as basic service delivery remains the core mandate of municipalities. Both National and Provincial government place a high priority on infrastructure development, economic development, efficient service delivery, and reducing inequality and poverty. Government's 9-point plan was once again alluded to in the 2017 Sona and the President touched on job creation through stimulating economic growth and attracting investment, better healthcare for all, resolving energy challenges, road infrastructure, housing, drought relief and other important core areas. Once again the President also emphasized the challenge of the poor economic climate of the country and its impact on government's ability to meet all demands including creation of jobs.

As per the SONA of 2017, our country needs to focus on opportunities for investment and economic growth. Infrastructure development is considered a catalytic factor of economic growth and the capital budget for 2017/2018 therefore focuses largely on infrastructure development.

Challenges

The main challenges experienced during the compilation of the 2017/18 MTREF can be summarised as follows:

- The difficulties in the global economy and our local economy that is having a negative financial impact on our financial resources;
- Drought experienced in some of our provinces including our own has also resulted in limited available resources and increased prices;
- Insufficient resources to address all the challenges faced;
- The needs of the community always outweigh available resources;
- Difficulties in the recovery of all debt owed to the municipality thereby contributing to a declining cash position of the municipality;
- Reduction of grant funds by National Treasury which further limits the financial resources of the municipality;
- Poor performance by contractors appointed resulting in increased costs;
- Ageing and poorly maintained roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and reduced cash position of the municipality;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – The ability to cater fully for repair and maintenance of ageing and new infrastructure still remains a challenge. Expansion of infrastructure each year which adds to the increased need for repair and maintenance of the capital infrastructure of the municipality, without additional income to support the ongoing repairs and maintenance needed.

The following budget principles and guidelines directly informed the compilation of the 2017/18 MTREF:

- The 2016/17 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget;
- The 5-year IDP plan was used as a basis for the capital budget.
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality. For instance, the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs. This year the property rates tariffs will be affected by the implications of the new General Valuation roll for 2017.
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act.

Major Policy Initiatives and Challenges

The purpose of the MFMA is to secure sound and sustainable management of the financial affairs of the Municipality through transparency, accountability, planning and appropriate allocation of responsibility. In accordance with the Act, the Municipality has placed considerable emphasis on improving reporting systems to management and elected members. This is to ensure key stakeholders are adequately informed to be able to make the right decisions regarding the financial management of the Municipality. Alfred Duma Local Municipality is committed to co-operating with National Government in terms of the 'back to basics approach and also the implementation of MSCOA (Municipal Standard Chart of Accounts). The budget for the 2017/2018 financial year is prepared on the MSCOA format and budgets going forward will be very detailed. The lack of detailed history in the MSCOA format, means that the first MSCOA budget will require a lot of virements to be able to collect accurate data for future MSCOA budgets. A new financial systems has been implemented to during the 2016/2017 financial year.

One of the key challenges for the future that the Municipality faces is increasing its payment levels. Almost 60% of the Municipality's budgeted revenue is from local rates and payments for services. Non-payment directly threatens the municipality's ability to deliver services to its residents in the future and the ability of Council to be able to fund capital projects of the municipality. With extensive indigency measures in place, service delivery is dependent on Council implementing the Credit Control Policy on those residents that can afford to pay. Indigency is on an application basis for the 2017/2018 financial year.

Another critical challenge is providing adequate infrastructure and assets. As a Municipality, we are exceedingly aware of the community's needs for new infrastructure such as roads, stormwater, bridges, street lighting, electrification of surrounding municipal areas and other facilities.

However with limited funds, and infrastructure growing each year, there is less money to spend on maintaining the roads, stormwater, landfill site, streetlights, community facilities and Council's assets including road plant and other vehicles and to build new infrastructure. Grant funds are provided to build the initial asset, but there are no ongoing grants for the maintenance of the assets and there is little or no additional income generated from the infrastructure built. Where assets are inadequately maintained, they quickly deteriorate, and either become irreparable or very expensive to repair. Regular maintenance is the cheapest option.

Expanding service delivery infrastructure and maintaining existing assets remains one of our greatest challenges.

Selected Highlights from the Operational Budget and Capital Program

The operational budget has been re-prioritised to ensure that 6% of electricity revenue is allocated to the repairs and maintenance of electrical infrastructure and also that the total

repairs and maintenance budget constitutes at least 8% of the total expenditure budget excluding unfunded depreciation.

Electricity infrastructure is receiving a much-needed boost with the provision of R4.1m for refurbishment and R3.7m for repairs to electricity mains. The electricity service contributes to the collection of outstanding monies through the process of removing meters and disconnecting services for non-payment. However, tampering remains a challenge and this hampers the collection process.

Emergency relief has been allocated R700 thousand to assist our most needy in times of natural disaster, which often occurs, with the damage of houses in the stormy season.

The maintenance of the roads and the storm water drains will be an on-going process. Maintenance of the electricity reticulation will also be addressed through the upgrading of substations and electrical equipment. R15.9m is allocated for maintenance of roads and R6,8m is allocated for maintenance of storm water drains.

The provision for bad debt has been increased to R37.7m for the 2017/2018 financial year. The provision is made in line with the GRAP Accounting Standards and is reviewed during the mid-year financial statements and the annual financial statements. The increasing debtor's book of the municipality remains a huge challenge in the municipality's ability to meet all demands and cater for all priority areas.

The main focus for the capital budget is the provision of infrastructure in specific areas from grant funding and own revenue sources.

The total Capital budget for the 2017/2018 financial year is R89.6 million. The total Capital budget is made up of Grant funding of R77.7 million and Council funding of R11.9 million. The grant funding allocations of the municipality are then estimated at R74.3 million in 2018/2019 and R77.1 million in 2019/2020. The grant allocations for the outer years therefore remain more or less constant, and there is no increased grant allocations planned as per the DORA for the outer years.

The provision for capital in the outer years 2 and 3, is dependent on funding in each year in terms of grants and cash reserves. It is important that the expenditure and cash flow of the municipality is constantly monitored to ensure that cash reserves are not depleted. Furthermore, the municipality should strive to budget for surpluses in each financial year to top up on the cash reserves of the municipality.

Supporting Documentation

Section 17(3) of the MFMA requires certain documents to accompany the budget. The table below lists the necessary requirements and where these are contained.

Legislative Requirement	Compliance Section
(a) Draft resolutions-	
(i) approving the budget of the municipality;	Section 2
(ii) imposing any municipal tax and setting any municipal tariffs as may be required for the budget year; and	Section 2
(iii) approving any other matter that may be prescribed;	Section 2
(b) measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the municipality's integrated development plan;	Supporting Table SA7
(c) a projection of cash flow for the budget year by revenue source, broken down per month;	Supporting Table SA30
(d) any proposed amendments to the municipality's integrated development plan following the annual review of the integrated development plan in terms of section 34 of the Municipal Systems Act;	Section 5
(e) any proposed amendments to the budget-related policies of the municipality;	Section 6
(f) particulars of the municipality's investments;	Supporting Table SA15 & SA16
(g) any prescribed budget information on municipal entities under the sole or shared control of the municipality;	Not Applicable
(h) particulars of all proposed new municipal entities which the municipality intends to establish or in which the municipality intends to participate;	Not Applicable
(i) particulars of any proposed service delivery agreements, including material amendments to existing service delivery agreements;	Not Applicable
(j) particulars of any proposed allocations or grants by the municipality to-	
(i) other municipalities;	Not Applicable
(ii) any municipal entities and other external mechanisms assisting the municipality in the exercise of its functions or powers;	Not Applicable
(iii) any other organs of state;	Supporting Table SA21
(iv) any organisations or bodies referred to in section 67(1);	Section 12
(k) the proposed cost to the municipality for the budget year of the salary, allowances and benefits of-	
(i) each political office-bearer of the municipality;	Supporting Table SA22
(ii) councillors of the municipality; and	Supporting Table SA22
(iii) the municipal manager, the chief financial officer, each senior manager of the municipality and any other official of the municipality having a remuneration package greater than or equal to that of a senior manager;	Supporting Table SA23
(l) the proposed cost for the budget year to a municipal entity under the sole or shared control of the municipality of the salary, allowances and benefits of-	
(i) each member of the entity's board of directors; and	Not Applicable
(ii) the chief executive officer and each senior manager of the entity; and	Not Applicable
(m) Any other supporting documentation as may be prescribed.	Not Applicable

KZN238 KZN238 - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	-	-	-	150,748	157,100	156,131	163,465	-	-	-
Service charges	-	-	-	317,534	325,137	337,533	238,117	-	-	-
Investment revenue	-	-	-	14,210	15,074	15,074	7,296	-	-	-
Transfers recognised - operational	-	-	-	208,460	207,894	207,894	139,180	-	-	-
Other own revenue	-	-	-	31,257	28,145	28,145	19,125	-	-	-
Total Revenue (excluding capital transfers and contributions)	-	-	-	722,209	733,351	744,777	567,183	-	-	-
Employee costs	-	-	-	213,676	210,664	195,245	145,156	-	-	-
Remuneration of councillors	-	-	-	23,598	22,628	18,741	14,056	-	-	-
Depreciation & asset impairment	-	-	-	81,477	78,080	78,080	37,968	-	-	-
Finance charges	-	-	-	591	591	591	591	-	-	-
Materials and bulk purchases	-	-	-	199,037	203,126	203,126	134,422	-	-	-
Transfers and grants	-	-	-	1,961	5,442	656	852	-	-	-
Other expenditure	-	-	-	212,803	246,273	115,986	93,264	-	-	-
Total Expenditure	-	-	-	733,133	766,805	612,426	426,309	-	-	-
Surplus/(Deficit)	-	-	-	(10,924)	(33,454)	132,351	140,874	-	-	-
Transfers recognised - capital	-	-	-	120,353	136,896	125,396	125,396	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	109,429	103,442	257,748	266,270	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	109,429	103,442	257,748	266,270	-	-	-
Capital expenditure & funds sources										
Capital expenditure	-	-	-	210,248	237,317	-	-	-	-	-
Transfers recognised - capital	-	-	-	120,353	136,896	136,896	136,896	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	89,895	111,920	111,920	111,920	-	-	-
Total sources of capital funds	-	-	-	210,248	248,816	248,816	248,816	-	-	-
Financial position										
Total current assets	-	-	-	302,087	350,277	-	-	-	-	-
Total non current assets	-	-	-	1,048,110	1,182,569	-	-	-	-	-
Total current liabilities	-	-	-	121,714	176,469	-	36,562	-	-	-
Total non current liabilities	-	-	-	63,417	67,903	-	16,239	-	-	-
Community wealth/Equity	-	-	-	1,103,434	1,276,973	-	39,231	-	-	-
Cash flows										
Net cash from (used) operating	-	-	-	181,042	188,069	238,317	238,317	-	-	-
Net cash from (used) investing	-	-	-	(210,248)	(237,317)	(237,317)	(237,317)	-	-	-
Net cash from (used) financing	-	-	-	(592)	(592)	(592)	(592)	-	-	-
Cash/cash equivalents at the year end	-	-	-	211,283	191,241	1,797,850	408	-	-	-
Cash backing/surplus reconciliation										
Cash and investments available	-	-	-	195,894	124,627	-	-	-	-	-
Application of cash and investments	-	-	-	95,280	79,829	-	-	-	-	-
Surplus - surplus (shortfall)	-	-	-	100,614	44,798	-	-	-	-	-
Asset management										
Asset register summary (WDV)	-	-	-	990,452	988,307	-	-	-	-	-
Depreciation & asset impairment	-	-	-	81,477	78,080	78,080	-	-	-	-
Renewal of Existing Assets	-	-	-	60,000	60,000	-	-	-	-	-
Repairs and Maintenance	-	-	-	51,996	51,652	-	-	-	-	-
Free services										
Cost of Free Basic Services provided	-	-	-	12,280	12,396	-	-	-	-	-
Revenue cost of free services provided	-	-	-	10,952	4,800	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	7	0	-	-	-	-	-
Sanitation/sewerage:	-	-	-	5	5	-	-	-	-	-
Energy:	-	-	-	233	233	-	-	-	-	-
Refuse:	-	-	-	33	33	-	-	-	-	-

KZN238 KZN238 - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		-	-	-	326,883	339,529	326,279	-	-	-
Executive and council		-	-	-	320,299	333,477	325,381	-	-	-
Budget and treasury office		-	-	-	6,175	4,543	898	-	-	-
Corporate services		-	-	-	409	1,509	-	-	-	-
<i>Community and public safety</i>		-	-	-	27,334	26,558	17,678	-	-	-
Community and social services		-	-	-	6,721	6,710	1,892	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	18,511	17,404	15,227	-	-	-
Housing		-	-	-	2,102	2,444	559	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	116,003	128,992	2,228	-	-	-
Planning and development		-	-	-	292	3,327	231	-	-	-
Road transport		-	-	-	115,711	125,665	1,994	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	384,621	387,263	340,794	-	-	-
Electricity		-	-	-	336,860	338,863	292,922	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	47,762	48,400	47,872	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
T. Revenue - Standard	2	-	-	-	854,841	882,342	688,977	-	-	-
Expenditure - Standard										
<i>Governance and administration</i>		-	-	-	210,993	222,423	126,832	-	-	-
Executive and council		-	-	-	155,859	161,472	87,813	-	-	-
Budget and treasury office		-	-	-	35,704	39,222	24,666	-	-	-
Corporate services		-	-	-	19,430	21,729	14,353	-	-	-
<i>Community and public safety</i>		-	-	-	120,367	117,568	91,857	-	-	-
Community and social services		-	-	-	71,220	71,791	55,657	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	36,819	38,019	30,948	-	-	-
Housing		-	-	-	12,328	7,758	5,252	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	114,286	122,583	82,923	-	-	-
Planning and development		-	-	-	19,391	18,419	12,937	-	-	-
Road transport		-	-	-	94,895	104,164	69,986	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	299,766	316,326	246,912	-	-	-
Electricity		-	-	-	260,987	275,863	222,671	-	-	-
Water		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	38,779	40,463	24,241	-	-	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	-	-	-	745,412	778,900	548,525	-	-	-
Surplus (Deficit) for the year		-	-	-	109,429	103,442	138,451	-	-	-

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

KZN238 KZN238 - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Revenue - Standard										
<i>Municipal governance and administration</i>		-	-	-	326,883	339,529	326,279	-	-	-
Executive and council		-	-	-	320,299	333,477	325,381	-	-	-
Mayor and Council		-	-	-	320,299	333,077	325,381	-	-	-
Municipal Manager		-	-	-	-	400	-	-	-	-
Budget and treasury office		-	-	-	6,175	4,543	898	-	-	-
Corporate services		-	-	-	409	1,509	-	-	-	-
Human Resources		-	-	-	409	1,108	-	-	-	-
Information Technology		-	-	-	-	-	-	-	-	-
Property Services		-	-	-	-	-	-	-	-	-
Other Admin		-	-	-	-	400	-	-	-	-
<i>Community and public safety</i>		-	-	-	27,334	26,558	17,678	-	-	-
Community and social services		-	-	-	6,721	6,710	1,892	-	-	-
Libraries and Archives		-	-	-	4,987	4,917	131	-	-	-
Museums & Art Galleries etc		-	-	-	196	196	(16)	-	-	-
Community halls and Facilities		-	-	-	509	554	506	-	-	-
Cemeteries & Crematoriums		-	-	-	-	-	-	-	-	-
Child Care		-	-	-	-	-	-	-	-	-
Aged Care		-	-	-	-	-	-	-	-	-
Other Community		-	-	-	1,048	1,043	1,270	-	-	-
Other Social		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	18,511	17,404	15,227	-	-	-
Police		-	-	-	10,813	10,827	9,720	-	-	-
Fire		-	-	-	289	180	214	-	-	-
Civil Defence		-	-	-	-	-	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Other		-	-	-	7,409	6,397	5,293	-	-	-
Housing		-	-	-	2,102	2,444	559	-	-	-
Health		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Ambulance		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	116,003	128,992	2,228	-	-	-
Planning and development		-	-	-	292	3,327	231	-	-	-
Economic Development/Planning		-	-	-	154	3,158	171	-	-	-
Town Planning/Building enforcement		-	-	-	138	169	61	-	-	-
Licensing & Regulation		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	115,711	125,665	1,994	-	-	-
Roads		-	-	-	115,259	125,274	1,657	-	-	-
Public Buses		-	-	-	-	-	-	-	-	-
Parking Garages		-	-	-	-	-	-	-	-	-
Vehicle Licensing and Testing		-	-	-	-	-	-	-	-	-
Other		-	-	-	452	390	338	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Pollution Control		-	-	-	-	-	-	-	-	-
Biodiversity & Landscape		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	384,621	387,263	340,794	-	-	-
Electricity		-	-	-	336,860	338,863	292,922	-	-	-
Electricity Distribution		-	-	-	336,860	338,863	292,922	-	-	-
Electricity Generation		-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-
Water Distribution		-	-	-	-	-	-	-	-	-
Water Storage		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Sewerage		-	-	-	-	-	-	-	-	-
Storm Water Management		-	-	-	-	-	-	-	-	-
Public Toilets		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	47,762	48,400	47,872	-	-	-
Solid Waste		-	-	-	47,762	48,400	47,872	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Tourism		-	-	-	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	-	-	-	854,841	882,342	686,977	-	-	-

Expenditure - Standard									
Municipal governance and administration				210,993	222,423	126,832	-	-	-
Executive and council				155,859	161,472	87,813	-	-	-
Mayor and Council				144,202	155,572	90,690	-	-	-
Municipal Manager				11,657	4,900	(3,078)	-	-	-
Budget and treasury office				35,704	36,222	24,666	-	-	-
Corporate services				19,430	21,729	14,353	-	-	-
Human Resources				8,055	9,241	6,319	-	-	-
Information Technology				681	1,140	(549)	-	-	-
Property Services				-	-	-	-	-	-
Other Admin				10,694	11,348	8,583	-	-	-
Community and public safety				120,367	117,568	91,857	-	-	-
Community and social services				71,220	71,791	55,657	-	-	-
Libraries and Archives				11,693	10,462	8,631	-	-	-
Museums & Art Galleries etc				5,541	5,347	4,157	-	-	-
Community halls and Facilities				2,620	3,660	2,592	-	-	-
Cemeteries & Crematoriums				-	-	-	-	-	-
Child Care				-	-	-	-	-	-
Aged Care				-	-	-	-	-	-
Other Community				51,166	52,322	40,277	-	-	-
Other Social				-	-	-	-	-	-
Sport and recreation				-	-	-	-	-	-
Public safety				36,819	38,019	30,948	-	-	-
Police				24,146	24,822	20,725	-	-	-
Fire				7,108	7,780	5,647	-	-	-
Civil Defence				-	-	-	-	-	-
Street Lighting				-	-	-	-	-	-
Other				5,565	5,417	4,576	-	-	-
Housing				12,328	7,758	5,252	-	-	-
Health				-	-	-	-	-	-
Clinics				-	-	-	-	-	-
Ambulance				-	-	-	-	-	-
Other				-	-	-	-	-	-
Economic and environmental services				114,286	122,583	82,923	-	-	-
Planning and development				19,391	18,419	12,937	-	-	-
Economic Development/Planning				11,819	12,458	8,428	-	-	-
Town Planning/Building enforcement				7,571	5,961	4,509	-	-	-
Licensing & Regulation				-	-	-	-	-	-
Road transport				94,895	104,164	69,988	-	-	-
Roads				88,599	99,698	66,718	-	-	-
Public Buses				-	-	-	-	-	-
Parking Garages				-	-	-	-	-	-
Vehicle Licensing and Testing				-	-	-	-	-	-
Other				8,296	4,466	3,268	-	-	-
Environmental protection				-	-	-	-	-	-
Pollution Control				-	-	-	-	-	-
Biodiversity & Landscape				-	-	-	-	-	-
Other				-	-	-	-	-	-
Trading services				299,766	316,326	246,912	-	-	-
Electricity				260,987	275,863	222,671	-	-	-
Electricity Distribution				260,987	275,863	222,671	-	-	-
Electricity Generation				-	-	-	-	-	-
Water				-	-	-	-	-	-
Water Distribution				-	-	-	-	-	-
Water Storage				-	-	-	-	-	-
Waste water management				-	-	-	-	-	-
Sewerage				-	-	-	-	-	-
Storm Water Management				-	-	-	-	-	-
Public Toilets				-	-	-	-	-	-
Waste management				38,779	40,463	24,241	-	-	-
Solid Waste				38,779	40,463	24,241	-	-	-
Other				-	-	-	-	-	-
Air Transport				-	-	-	-	-	-
Abattoirs				-	-	-	-	-	-
Tourism				-	-	-	-	-	-
Forestry				-	-	-	-	-	-
Markets				-	-	-	-	-	-
Total Expenditure - Standard	3			745,412	778,900	548,525	-	-	-
Surplus/(Deficit) for the year				109,429	103,442	138,451	-	-	-

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison
2. Total Revenue by Standard Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)
3. Total Expenditure by Standard Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)
4. All amounts must be classified under a Standard (modified GFS) classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

check oprev balance
check opexp balance

12,279,306 12,095,396 -183,196,967
12,279,480 12,095,311 -63,900,616

KZN238 KZN238 - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	-	320,299	326,725	326,725	-	-	-
Vote 2 - Corporate Services		-	-	-	409	1,509	1,509	-	-	-
Vote 3 - Finance		-	-	-	6,175	4,526	4,397	-	-	-
Vote 4 - Public Works and Services		-	-	-	115,711	125,665	1,994	-	-	-
Vote 5 - Community Services		-	-	-	72,797	72,317	65,007	-	-	-
Vote 6 - Electrical Services		-	-	-	336,860	338,863	292,469	-	-	-
Vote 7 - Development, Planning and Human Settlements		-	-	-	2,590	6,365	774	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	854,841	875,970	692,875	-	-	-
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		-	-	-	155,778	161,471	161,471	-	-	-
Vote 2 - Corporate Services		-	-	-	19,380	21,678	21,769	-	-	-
Vote 3 - Finance		-	-	-	35,704	39,223	39,223	-	-	-
Vote 4 - Public Works and Services		-	-	-	97,471	106,740	116,806	-	-	-
Vote 5 - Community Services		-	-	-	138,702	135,712	135,712	-	-	-
Vote 6 - Electrical Services		-	-	-	261,122	275,998	277,498	-	-	-
Vote 7 - Development, Planning and Human Settlements		-	-	-	37,255	31,705	31,705	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	745,412	772,527	784,184	-	-	-
Surplus/(Deficit) for the year	2	-	-	-	109,429	103,443	(91,309)	-	-	-

References

1. Insert 'Vote'; e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

Vote Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote											
Vote 1 - Executive and Council											
1.1 - MUNICIPAL MANAGER			-	-	-	320,289	328,725	328,725	-	-	-
1.2 - COUNCIL GENERAL			-	-	-	-	-	-	-	-	-
1.3 - MAYORAL OFFICE			-	-	-	320,289	328,725	328,725	-	-	-
1.4 - PUBLIC PARTICIPATION			-	-	-	-	-	-	-	-	-
1.5 - PERFORMANCE MANAGEMENT			-	-	-	-	-	-	-	-	-
1.6 - INTERNAL AUDIT			-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services											
2.1 - ADMINISTRATION			-	-	-	409	1,509	1,509	-	-	-
2.2 - LEGAL SERVICES			-	-	-	-	-	-	-	-	-
2.3 - CORP SERVICES : IT (COMPUTER)			-	-	-	-	-	-	-	-	-
2.4 - CORP SERVICES : PERSONNEL			-	-	-	-	-	-	-	-	-
2.5 - EMPLOYEE ASSISTANCEPROGRAM			-	-	-	409	1,509	1,509	-	-	-
Vote 3 - Finance											
3.1 - FINANCE - EXPENDITURE SECTION			-	-	-	6,175	4,526	4,397	-	-	-
3.2 - FINANCE - FINAL ACCOUNT			-	-	-	19	2	2	-	-	-
3.3 - FINANCE - MFMA BUDGET OFFICE			-	-	-	-	-	-	-	-	-
3.4 - FINANCE - ASSET MANAGEMENT			-	-	-	-	-	-	-	-	-
3.5 - FINANCE - MANAGEMENT			-	-	-	-	-	-	-	-	-
3.6 - FINANCE - REVENUE SECTION			-	-	-	4,145	3,744	3,744	-	-	-
3.7 - SUPPLY CHAIN MANAGEMENT			-	-	-	2,001	750	625	-	-	-
3.8 - STORES			-	-	-	-	-	-	-	-	-
Vote 4 - Public Works and Services											
4.1 - PUBLIC WORKS			-	-	-	115,711	125,645	1,994	-	-	-
4.2 - BE HOUSE/BUILD CONTROL INFRAST			-	-	-	115,259	125,259	1,657	-	-	-
4.3 - PROJECT MANAGEMENT			-	-	-	-	-	-	-	-	-
4.4 - BE MANAGEMENT & LEADERSHIP			-	-	-	-	-	-	-	-	-
4.5 - LANDFILL SITE			-	-	-	452	406	338	-	-	-
Vote 5 - Community Services											
5.1 - COMMUNITY SERVICES - ADMIN			-	-	-	72,797	72,317	65,007	-	-	-
5.2 - CLEANSING AND SOLIDWASTE			-	-	-	-	-	-	-	-	-
5.3 - PARKS AND GARDENS			-	-	-	47,762	48,400	47,872	-	-	-
5.4 - LIBRARY			-	-	-	1,048	1,042	1,270	-	-	-
5.5 - COMMUNITY HALLS			-	-	-	4,967	4,917	131	-	-	-
5.6 - PUBLIC SAFETY - TRAFFIC			-	-	-	509	554	506	-	-	-
5.7 - LICENCING			-	-	-	10,813	10,627	9,728	-	-	-
5.8 - DISASTER MANAGEMENT			-	-	-	7,409	6,397	5,293	-	-	-
5.9 - FLEET MANAGEMENT			-	-	-	286	180	214	-	-	-
5.10 - SECURITY			-	-	-	-	-	-	-	-	-
Vote 6 - Electrical Services											
6.1 - ELECTRICITY - ADMINISTRATION			-	-	-	338,860	338,863	292,489	-	-	-
6.2 - ELECTRICITY - PURCHASE OF			-	-	-	326,860	327,363	292,469	-	-	-
6.3 - ELECTRICITY - DISTRIBUTION			-	-	-	-	-	-	-	-	-
6.4 - ELECTRICITY - COLENSO			-	-	-	10,000	11,500	-	-	-	-
6.5 - METERING AND SERVICES			-	-	-	-	-	-	-	-	-
Vote 7 - Development, Planning and Human Settlement											
7.1 - TOURISM			-	-	-	2,580	6,385	774	-	-	-
7.2 - REAL ESTATE/PROPERTYMNGT			-	-	-	198	196	(16)	-	-	-
7.3 - HOUSING			-	-	-	421	761	860	-	-	-
7.4 - STRATEGIC PLANNING			-	-	-	1,881	1,681	200	-	-	-
7.5 - LED			-	-	-	138	189	61	-	-	-
7.6 - ADMINISTRATION			-	-	-	100	3,482	64	-	-	-
Vote 8 - Null											
8.1 - [Name of sub-vote]			-	-	-	54	78	106	-	-	-

KZN238 KZN238 - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Vote 9 - Null 9.1 - (Name of sub-vote)		-	-	-	-	-	-	-	-	-
Vote 10 - Null 10.1 - (Name of sub-vote)		-	-	-	-	-	-	-	-	-
Vote 11 - Null 11.1 - (Name of sub-vote)		-	-	-	-	-	-	-	-	-
Vote 12 - Null 12.1 - (Name of sub-vote)		-	-	-	-	-	-	-	-	-
Vote 13 - Null 13.1 - (Name of sub-vote)		-	-	-	-	-	-	-	-	-
Vote 14 - Null 14.1 - (Name of sub-vote)		-	-	-	-	-	-	-	-	-
Vote 15 - Null 15.1 - (Name of sub-vote)		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	854,841	875,970	692,675	-	-	-

KZN238 KZN238 - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Expenditure by Vote											
Vote 1 - Executive and Council											
1.1 - MUNICIPAL MANAGER											
1.2 - COUNCIL GENERAL											
1.3 - MAYORAL OFFICE											
1.4 - PUBLIC PARTICIPATION											
1.5 - PERFORMANCE MANAGEMENT											
1.6 - INTERNAL AUDIT											
Vote 2 - Corporate Services											
2.1 - ADMINISTRATION											
2.2 - LEGAL SERVICES											
2.3 - CORP SERVICES : IT (COMPUTER)											
2.4 - CORP SERVICES : PERSONNEL											
2.5 - EMPLOYEE ASSISTANCE PROGRAM											
Vote 3 - Finance											
3.1 - FINANCE - EXPENDITURE SECTION											
3.2 - FINANCE - FINAL ACCOUNT											
3.3 - FINANCE - MFMA BUDGET OFFICE											
3.4 - FINANCE - ASSET MANAGEMENT											
3.5 - FINANCE - MANAGEMENT											
3.6 - FINANCE - REVENUE SECTION											
3.7 - SUPPLY CHAIN MANAGEMENT											
3.8 - STORES											
Vote 4 - Public Works and Services											
4.1 - PUBLIC WORKS											
4.2 - BE HOUSE/BUILD CONTROL INFRAST											
4.3 - PROJECT MANAGEMENT											
4.4 - BE MANAGEMENT & LEADERSHIP											
4.5 - LANDFILL SITE											
Vote 5 - Community Services											
5.1 - COMMUNITY SERVICES - ADMIN											
5.2 - CLEANSING AND SOLIDWASTE											
5.3 - PARKS AND GARDENS											
5.4 - LIBRARY											
5.5 - COMMUNITY HALLS											
5.6 - PUBLIC SAFETY - TRAFFIC											
5.7 - LICENCING											
5.8 - DISASTER MANAGEMENT											
5.9 - FLEET MANAGEMENT											
5.10 - SECURITY											
Vote 6 - Electrical Services											
6.1 - ELECTRICITY - ADMINISTRATION											
6.2 - ELECTRICITY - PURCHASE OF											
6.3 - ELECTRICITY - DISTRIBUTION											
6.4 - ELECTRICITY - COLENSO											
6.5 - METERING AND SERVICES											
Vote 7 - Development, Planning and Human Settlement											
7.1 - TOURISM											
7.2 - REAL ESTATE/PROPERTYMNGT											
7.3 - HOUSING											
7.4 - STRATEGIC PLANNING											
7.5 - LED											
7.6 - ADMINISTRATION											
Vote 8 - Null											
8.1 - [Name of sub-vote]											

KZN238 KZN238 - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

[illegible]

References

1. Insert 'Vote'; e.g. Department, if different to standard structure
2. Must reconcile to Financial Performance ('Revenue and Expenditure by Standard Classification' and 'Revenue and Expenditure')
3. Assign share in 'associate' to relevant Vote

KZN238 KZN238 - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source												
Property rates	2	-	-	-	145,179	151,531	156,131	155,768	-	-	-	
Property rates - penalties & collection charges		-	-	-	5,569	5,569	-	7,697				
Service charges - electricity revenue	2	-	-	-	304,474	301,525	309,275	210,064	-	-	-	
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	
Service charges - refuse revenue	2	-	-	-	12,594	23,214	27,860	27,777	-	-	-	
Service charges - other		-	-	-	466	398	398	276				
Rental of facilities and equipment		-	-	-	532	581	495	380				
Interest earned - external investments		-	-	-	14,210	15,074	15,074	7,296			-	
Interest earned - outstanding debtors		-	-	-	2,440	2,737	2,558	1,918				
Dividends received		-	-	-	-	-	-	-				
Fines		-	-	-	10,619	10,620	9,554	8,101				
Licences and permits		-	-	-	6,953	6,037	5,021	3,904				
Agency services		-	-	-	-	-	-	-				
Transfers recognised - operational		-	-	-	208,460	207,894	207,894	139,180			-	
Other revenue	2	-	-	-	10,713	8,171	10,517	4,821	-	-	-	
Gains on disposal of PPE		-	-	-	-	-	-	-				
Total Revenue (excluding capital transfers and contributions)		-	-	-	722,209	733,351	744,777	567,183	-	-	-	
Expenditure By Type												
Employee related costs	2	-	-	-	213,676	210,664	195,245	145,156	-	-	-	
Remuneration of councillors		-	-	-	23,598	22,628	18,741	14,056			-	
Debt impairment	3	-	-	-	24,610	35,497	-	-				
Depreciation & asset impairment	2	-	-	-	81,477	78,080	78,080	37,968	-	-	-	
Finance charges		-	-	-	591	591	591	591	-	-	-	
Bulk purchases	2	-	-	-	199,037	203,126	203,126	134,422	-	-	-	
Other materials	8	-	-	-	-	-	-	-				
Contracted services		-	-	-	6,539	8,304	8,765	6,656	-	-	-	
Transfers and grants		-	-	-	1,951	5,442	656	852	-	-	-	
Other expenditure	4, 5	-	-	-	181,654	202,472	107,222	86,608	-	-	-	
Loss on disposal of PPE		-	-	-	-	-	-	-				
Total Expenditure		-	-	-	733,133	766,805	612,426	426,309	-	-	-	
Surplus/(Deficit)		-	-	-	(10,924)	(33,454)	132,351	140,874	-	-	-	
Transfers recognised - capital		-	-	-	120,353	136,896	125,396	125,396			-	
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-	
Contributed assets		-	-	-	-	-	-	-				
Surplus/(Deficit) after capital transfers & contributions		-	-	-	109,429	103,442	257,748	266,270	-	-	-	
Taxation		-	-	-	-	-	-	-				
Surplus/(Deficit) after taxation		-	-	-	109,429	103,442	257,748	266,270	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-				
Surplus/(Deficit) attributable to municipality		-	-	-	109,429	103,442	257,748	266,270	-	-	-	
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-				
Surplus/(Deficit) for the year		-	-	-	109,429	103,442	257,748	266,270	-	-	-	

References

1. Classifications are revenue sources and expenditure type

Detail to be provided in Table SA1

3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment

4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs

5. Repairs & maintenance detailed in Table A9 and Table SA34c

6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)

7. Equity method

KZN238 KZN238 - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 4 - Public Works and Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Electrical Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Development, Planning and Human Settlements		-	-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Finance		-	-	-	-	8,024	-	-	-	-	-
Vote 4 - Public Works and Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	158,413	171,106	-	-	-	-	-
Vote 6 - Electrical Services		-	-	-	27,850	35,744	-	-	-	-	-
Vote 7 - Development, Planning and Human Settlements		-	-	-	19,884	28,589	-	-	-	-	-
Vote 8 - Null		-	-	-	4,000	5,353	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		-	-	-	210,247	248,816	-	-	-	-	-
Capital Expenditure - Standard		-	-	-	210,247	248,816	-	-	-	-	-
Governance and administration		-	-	-	-	8,024	-	-	-	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-
Corporate services		-	-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	8,024	-	-	-	-	-
Community and social services		-	-	-	26,248	34,042	-	-	-	-	-
Sport and recreation		-	-	-	15,248	20,453	-	-	-	-	-
Public safety		-	-	-	11,000	13,589	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	164,116	168,162	-	-	-	-	-
Planning and development		-	-	-	4,000	5,353	-	-	-	-	-
Road transport		-	-	-	160,116	162,809	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	19,884	27,089	-	-	-	-	-
Electricity		-	-	-	19,884	27,089	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	-	-	-	210,248	237,317	-	-	-	-	-
Funded by:											
National Government		-	-	-	120,353	136,896	136,896	138,896	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	-	-	-	120,353	136,896	136,896	136,896	-	-	-
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	89,895	111,920	111,920	111,920	-	-	-
Total Capital Funding	7	-	-	-	210,248	248,816	248,816	248,816	-	-	-

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year.
3. Capital expenditure by standard classification must reconcile to the appropriations by vote.
4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure).
5. Must reconcile to Budgeted Financial Performance (revenue and expenditure).
6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17.
7. Total Capital Funding must balance with Total Capital Expenditure.
8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget.

KZN238 KZN238 - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding											
Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Capital expenditure - Municipal Vote											
Multi-year expenditure appropriation	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
1.1 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-
1.2 - COUNCIL GENERAL		-	-	-	-	-	-	-	-	-	-
1.3 - MAYORAL OFFICE		-	-	-	-	-	-	-	-	-	-
1.4 - PUBLIC PARTICIPATION		-	-	-	-	-	-	-	-	-	-
1.5 - PERFORMANCE MANAGEMENT		-	-	-	-	-	-	-	-	-	-
1.6 - INTERNAL AUDIT		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
2.1 - ADMINISTRATION		-	-	-	-	-	-	-	-	-	-
2.2 - LEGAL SERVICES		-	-	-	-	-	-	-	-	-	-
2.3 - CORP SERVICES : IT (COMPUTER)		-	-	-	-	-	-	-	-	-	-
2.4 - CORP SERVICES : PERSONNEL		-	-	-	-	-	-	-	-	-	-
2.5 - EMPLOYEE ASSISTANCE PROGRAM		-	-	-	-	-	-	-	-	-	-
Vote 3 - Finance		-	-	-	-	-	-	-	-	-	-
3.1 - FINANCE - EXPENDITURE SECTION		-	-	-	-	-	-	-	-	-	-
3.2 - FINANCE - FINAL ACCOUNT		-	-	-	-	-	-	-	-	-	-
3.3 - FINANCE - MFMA BUDGET OFFICE		-	-	-	-	-	-	-	-	-	-
3.4 - FINANCE - ASSET MANAGEMENT		-	-	-	-	-	-	-	-	-	-
3.5 - FINANCE - MANAGEMENT		-	-	-	-	-	-	-	-	-	-
3.6 - FINANCE - REVENUE SECTION		-	-	-	-	-	-	-	-	-	-
3.7 - SUPPLY CHAIN MANAGEMENT		-	-	-	-	-	-	-	-	-	-
3.8 - STORES		-	-	-	-	-	-	-	-	-	-
Vote 4 - Public Works and Services		-	-	-	-	-	-	-	-	-	-
4.1 - PUBLIC WORKS		-	-	-	-	-	-	-	-	-	-
4.2 - BE HOUSEBUILD CONTROL INFRASTR		-	-	-	-	-	-	-	-	-	-
4.3 - PROJECT MANAGEMENT		-	-	-	-	-	-	-	-	-	-
4.4 - BE MANAGEMENT & LEADERSHIP		-	-	-	-	-	-	-	-	-	-
4.5 - LANDFILL SITE		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
5.1 - COMMUNITY SERVICES-ADMIN		-	-	-	-	-	-	-	-	-	-
5.2 - CLEANING AND SOLIDWASTE		-	-	-	-	-	-	-	-	-	-
5.3 - PARKS AND GARDENS		-	-	-	-	-	-	-	-	-	-
5.4 - LIBRARY		-	-	-	-	-	-	-	-	-	-
5.5 - COMMUNITY HALLS		-	-	-	-	-	-	-	-	-	-
5.6 - PUBLIC SAFETY - TRAFFIC		-	-	-	-	-	-	-	-	-	-
5.7 - LICENCING		-	-	-	-	-	-	-	-	-	-
5.8 - DISASTER MANAGEMENT		-	-	-	-	-	-	-	-	-	-
5.9 - FLEET MANAGEMENT		-	-	-	-	-	-	-	-	-	-
5.10 - SECURITY		-	-	-	-	-	-	-	-	-	-
Vote 6 - Electrical Services		-	-	-	-	-	-	-	-	-	-
6.1 - ELECTRICITY - ADMINISTRATION		-	-	-	-	-	-	-	-	-	-
6.2 - ELECTRICITY - PURCHASE OF		-	-	-	-	-	-	-	-	-	-
6.3 - ELECTRICITY - DISTRIBUTION		-	-	-	-	-	-	-	-	-	-
6.4 - ELECTRICITY - COLENO		-	-	-	-	-	-	-	-	-	-
6.5 - METERING AND SERVICES		-	-	-	-	-	-	-	-	-	-
Vote 7 - Development, Planning and Human Settlements		-	-	-	-	-	-	-	-	-	-
7.1 - TOURISM		-	-	-	-	-	-	-	-	-	-
7.2 - REAL ESTATE PROPERTY MGMT		-	-	-	-	-	-	-	-	-	-
7.3 - HOUSING		-	-	-	-	-	-	-	-	-	-
7.4 - STRATEGIC PLANNING		-	-	-	-	-	-	-	-	-	-
7.5 - LED		-	-	-	-	-	-	-	-	-	-
7.6 - ADMINISTRATION		-	-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-	-
8.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-	-
9.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-	-
10.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-	-

KZN238 KZN238 - Table A6 Budgeted Financial Position

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS												
Current assets												
Cash			-	-	-	21,903	8,325		-			-
Call investment deposits		1	-	-	-	173,991	116,302	-	-	-	-	
Consumer debtors		1	-	-	-	89,381	115,854	-	-	-	-	-
Other debtors			-	-	-	3,095	75,480					
Current portion of long-term receivables			-	-	-	1	1	-	-			
Inventory		2	-	-	-	13,716	34,315	-	-			
Total current assets			-	-	-	302,087	350,277	-	-	-	-	-
Non current assets												
Long-term receivables			-	-	-	16	14	-	-			
Investments			-	-	-	-	-	-	-			
Investment property			-	-	-	82,121	80,121	-	-			
Investment in Associate			-	-	-	-	-	-	-			
Property, plant and equipment		3	-	-	-	950,245	1,086,851	-	-	-	-	-
Agricultural			-	-	-	-	-	-	-			
Biological			-	-	-	-	-	-	-			
Intangible			-	-	-	425	280	-	-			
Other non-current assets			-	-	-	15,303	15,303	-	-			-
Total non current assets			-	-	-	1,048,110	1,182,569	-	-	-	-	-
TOTAL ASSETS			-	-	-	1,350,197	1,532,846	-	-	-	-	-
LIABILITIES												
Current liabilities												
Bank overdraft		1	-	-	-	-	-	-	-			
Borrowing		4	-	-	-	329	329	-	-	-	-	-
Consumer deposits			-	-	-	9,002	9,002	-	-			
Trade and other payables		4	-	-	-	112,383	167,138	-	-	-	-	-
Provisions			-	-	-	-	-	-	36,562			
Total current liabilities			-	-	-	121,714	176,489	-	36,562	-		-
Non current liabilities												
Borrowing			-	-	-	35,965	35,341	-	-	-	-	-
Provisions			-	-	-	27,452	32,562	-	16,239	-	-	-
Total non current liabilities			-	-	-	63,417	67,903	-	16,239	-	-	-
TOTAL LIABILITIES			-	-	-	185,131	244,372	-	52,801	-	-	-
NET ASSETS		5	-	-	-	1,165,066	1,288,474	-	(52,801)	-	-	-
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)			-	-	-	1,073,496	1,251,201	-	-			-
Reserves		4	-	-	-	29,936	25,772	-	39,231	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		5	-	-	-	1,103,434	1,276,973	-	39,231	-	-	-

References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Assets must balance with Total Community Wealth/Equity

KZN238 KZN238 - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		-	-	-	132,362	113,000	150,748	150,748	-	-	-
Service charges		-	-	-	311,541	317,534	317,534	317,534	-	-	-
Other revenue		-	-	-	23,187	28,071	50,683	50,683	-	-	-
Government - operating	1	-	-	-	208,460	207,895	208,460	208,460	-	-	-
Government - capital	1	-	-	-	120,353	136,896	127,380	127,380	-	-	-
Interest		-	-	-	14,210	17,811	16,650	16,650	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	-	-	(627,170)	(627,748)	(627,748)	(627,748)	-	-	-
Finance charges		-	-	-	(592)	(592)	(592)	(592)	-	-	-
Transfers and Grants	1	-	-	-	(1,309)	(4,800)	(4,800)	(4,800)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	-	181,042	188,069	238,317	238,317	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	-	(210,248)	(237,317)	(237,317)	(237,317)	-	-	-
ASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	(210,248)	(237,317)	(237,317)	(237,317)	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	(592)	(592)	(592)	(592)	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	(592)	(592)	(592)	(592)	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	-	-	-	(29,798)	(49,840)	408	408	-	-	-
Cash/cash equivalents at the year end:	2	-	-	-	241,081	241,081	1,797,442	-	-	-	-
Reference											

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less

KZN238 KZN238 - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash and Investments available											
Cash/cash equivalents at the year end	1	-	-	-	211,283	191,241	1,797,850	408	-	-	-
Other current investments > 90 days		-	-	-	(15,389)	(66,614)	(1,797,850)	(408)	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and Investments available:		-	-	-	195,894	124,627	-	-	-	-	-
Application of cash and investments											
Unspent conditional transfers		-	-	-	(31,731)	(17,685)	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	-	-	57,630	12,887	-	-	-	-	-
Other provisions		-	-	-	39,445	58,855	-	-	-	-	-
Long term Investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	29,936	25,772	-	-	-	-	-
Total Application of cash and investments:		-	-	-	95,280	79,829	-	-	-	-	-
Surplus(shortfall)		-	-	-	100,614	44,798	-	-	-	-	-

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

KZN238 KZN238 - Table A9 Asset Management

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE											
Total New Assets		1	-	-	-	150,248	188,817	-	-	-	-
Infrastructure - Road transport			-	-	-	95,116	117,581	-	-	-	-
Infrastructure - Electricity			-	-	-	24,884	27,688	-	-	-	-
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	120,000	145,269	-	-	-	-
Community			-	-	-	25,248	25,524	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets			-	-	-	5,000	18,024	-	-	-	-
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets		2	-	-	-	60,000	60,000	-	-	-	-
Infrastructure - Road transport			-	-	-	58,000	58,000	-	-	-	-
Infrastructure - Electricity			-	-	-	2,000	2,000	-	-	-	-
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	60,000	60,000	-	-	-	-
Community			-	-	-	-	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets			-	-	-	-	-	-	-	-	-
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Total Capital Expenditure		4	-	-	-	153,116	175,581	-	-	-	-
Infrastructure - Road transport			-	-	-	28,884	28,688	-	-	-	-
Infrastructure - Electricity			-	-	-	-	-	-	-	-	-
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	180,000	205,269	-	-	-	-
Community			-	-	-	25,248	25,524	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets			-	-	-	5,000	18,024	-	-	-	-
Agricultural Assets			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class			2	-	-	210,248	248,817	-	-	-	-
ASSET REGISTER SUMMARY - PPE (WDV)			5								
Infrastructure - Road transport						628,383	628,383				
Infrastructure - Electricity						240,248	240,248				
Infrastructure - Water						-	-				
Infrastructure - Sanitation						-	-				
Infrastructure - Other						39,275	39,275				
Infrastructure						907,906	907,906				
Community						-	-				
Heritage assets						-	-				
Investment properties						82,121	80,121				
Other assets						-	-				
Agricultural Assets						-	-				
Biological assets						-	-				
Intangibles						425	280				
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)			5	-	-	980,452	988,307	-	-	-	-
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment			-	-	-	81,477	78,080	78,080	-	-	-
Repairs and Maintenance by Asset Class		3				51,996	51,652	-	-	-	-
Infrastructure - Road transport			-	-	-	33,038	25,107	-	-	-	-
Infrastructure - Electricity			-	-	-	5,109	13,241	-	-	-	-
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Infrastructure - Other			-	-	-	6,576	748	-	-	-	-
Infrastructure			-	-	-	44,723	39,096	-	-	-	-
Community			-	-	-	401	8,625	-	-	-	-
Heritage assets			-	-	-	643	689	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Other assets		6, 7	-	-	-	6,229	3,242	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS				-	-	133,473	128,732	78,080	-	-	-
Renewal of Existing Assets as % of total capex				0.0%	0.0%	0.0%	28.5%	24.1%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"				0.0%	0.0%	0.0%	73.6%	76.8%	0.0%	0.0%	0.0%
R&M as a % of PPE				0.0%	0.0%	0.0%	5.5%	4.8%	0.0%	0.0%	0.0%
Renewal and R&M as a % of PPE				0.0%	0.0%	0.0%	11.0%	11.0%	0.0%	0.0%	0.0%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category

KZN238 KZN238 - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	2,120	2	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	9,145	9	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	1,405	1	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	477	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>					13,147	12				
Using public tap (< min.service level)	3	-	-	-	298	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	216	-	-	-	-	-
No water supply		-	-	-	6,410	8	-	-	-	-
<i>Below Minimum Service Level sub-total</i>					6,924	8				
Total number of households	5	-	-	-	20,071	18	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	2,704	2,704	-	-	-	-
Flush toilet (with septic tank)		-	-	-	182	182	-	-	-	-
Chemical toilet		-	-	-	435	435	-	-	-	-
Pit toilet (ventilated)		-	-	-	6,051	6,051	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	5,800	5,800	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>					15,182	15,182				
Bucket toilet		-	-	-	182	182	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	912	912	-	-	-	-
No toilet provisions		-	-	-	3,795	3,795	-	-	-	-
<i>Below Minimum Service Level sub-total</i>					4,889	4,889				
Total number of households	5	-	-	-	20,071	20,071	-	-	-	-
Electricity:										
Electricity (at least min.service level)		-	-	-	17,488	19,576	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	10,755	15,349	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>					28,243	34,925				
Electricity (< min.service level)		-	-	-	1,300	1,300	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	231,257	231,257	-	-	-	-
<i>Below Minimum Service Level sub-total</i>					232,557	232,557				
Total number of households	5	-	-	-	280,800	267,482	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	12,636	40,793	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>					12,636	40,793				
Removed less frequently than once a week		-	-	-	15,329	15,329	-	-	-	-
Using communal refuse dump		-	-	-	383	383	-	-	-	-
Using own refuse dump		-	-	-	11,905	11,905	-	-	-	-
Other rubbish disposal		-	-	-	105	105	-	-	-	-
No rubbish disposal		-	-	-	4,985	4,985	-	-	-	-
<i>Below Minimum Service Level sub-total</i>					32,707	32,707				
Total number of households	5	-	-	-	45,343	73,500	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	2,958	7,750	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	9,322	4,646	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)										
Total cost of FBS provided		-	-	-	12,280	12,396	-	-	-	-
Highest level of free services provided per household										
Property rates (R value threshold)					10,951,453	4,599,610				
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)					285,757,720	300,549,892				
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	10,952	4,600	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	-	-	-	10,952	4,600	-	-	-	-

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service

KZN238 KZN238 - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

KZN236 KZN236 - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'											
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates					156,131	156,131	156,131	156,131			
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)					10,962	4,600		363			
Net Property Rates					145,179	151,531	156,131	155,768			
Service charges - electricity revenue	6										
Total Service charges - electricity revenue					307,432	309,275	309,275	210,064			
less Revenue Foregone (in excess of 50 kWh per indigent household per month)											
less Cost of Free Basic Services (50 kWh per indigent household per month)					2,886	7,760					
Net Service charges - electricity revenue					304,474	301,825	309,275	210,064			
Service charges - water revenue											
Total Service charges - water revenue											
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basic Services (6 kilolitres per indigent household per month)											
Net Service charges - water revenue											
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basic Services (free sanitation service to indigent households)											
Net Service charges - sanitation revenue											
Service charges - refuse revenue											
Total refuse removal revenue					21,918	27,860	27,860	27,860			
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)								83			
less Cost of Free Basic Services (removed once a week to indigent households)					3,322	4,848					
Net Service charges - refuse revenue					12,594	23,214	27,860	27,777			
Other Revenue by source											
Fuel Levy											
Other Revenue					10,713	8,171	10,517	4,821			

KZN238 KZN238 - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Corporate Services	Vote 3 - Finance	Vote 4 - Public Works and Services	Vote 5 - Community Services	Vote 6 - Electrical Services	Vote 7 - Development, Planning and Human Settlements	Vote 8 - Null	Vote 9 - Null	Vote 10 - Null	Vote 11 - Null	Vote 12 - Null	Vote 13 - Null	Vote 14 - Null	Vote 15 - Null	Total
R (thousand)	1																
Revenue By Source																	
Property rates		320 299															320 299
Property rates - penalties & collection charges																	-
Service charges - electricity revenue					384 821												384 821
Service charges - water revenue																	-
Service charges - sanitation revenue																	-
Service charges - refuse revenue																	-
Service charges - other																	-
Rental of facilities and equipment								148 003									148 003
Interest earned - external investments																	-
Interest earned - outstanding debtors																	-
Dividends received																	-
Fines																	-
Licences and permits																	-
Agency services						27 334											27 334
Other revenue			409	8 175													8 584
Transfers recognised - operational																	-
Gain on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		320 299	409	8 175	384 821	27 334	-	148 003	-	-	-	-	-	-	-	-	854 841
Expenditure By Type																	
Employee related costs																	-
Remuneration of councillors																	-
Debt impairment																	-
Depreciation & asset impairment																	-
Finance charges																	-
Bulk purchases																	-
Other materials																	-
Contracted services																	-
Transfers and grants																	-
Other expenditure		155 959	19 430	38 704	299 768	120 367		114 286									748 412
Loss on disposal of PPE																	-
Total Expenditure		155 959	19 430	38 704	299 768	120 367	-	114 286	-	-	-	-	-	-	-	-	748 412
Surplus/(Deficit)		164 340	(18 921)	(28 529)	84 653	(93 033)	-	34 717	-	-	-	-	-	-	-	-	106 429
Less recognised - capital					210 248												210 248
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		164 340	(18 921)	(28 529)	295 103	(93 033)	-	34 717	-	-	-	-	-	-	-	-	316 677

References

1. Departmental columns to be based on municipal organisation structure

KZN238 KZN238 - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Table 1: Strategic Objectives and Budget (Revenue)													
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand													
Council general	Provision of Rates						331,260	331,260	331,260				
Corporate services	Efficient HR and administration support						409	409	409				
Infrastructure and services	Provision of Infrastructure						452,570	452,570	452,570				
Finance	Revenue generation						6,175	6,175	6,175				
Dev Plan & Human Settlements	Local Economic Development						2,581	2,581	2,581				
Community Services	Safety, traffic, refuse collection and Maintaining the Parks and Gardens						72,797	72,797	72,797				
To promote good governance and Efficient Administration							3,823	3,823	3,823				
Institutional development and matron							123	123	123				
To provide and promote access to public infrastructure and facilities							31,051	31,051	31,051				
To promote good financial management and viability							78,435	78,435	76,435				
Promote social and economic development							-	-	-				
To promote community welfare							768	768	768				
To promote clean environment							180	180	180				
Allocations to other priorities			2										
Total Revenue (excluding capital transfers and contributions)				1	-	-	-	980,172	980,172	980,172	-	-	-

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

KZN238 KZN238 - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objectives and Budget (operating expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
MUNICIPAL MANAGER	Provision of Rates,HOD support					120,694	120,582	120,582	120,582			
Corporate services	Efficient HR and administration support					14,762	12,035	12,035	12,035			
Infrastructure and services	Provision of Infrastructure					385,467	349,427	349,427	349,427			
Finance	Revenue generation					25,731	28,315	28,315	28,315			
Dev Plan & Human Settlements	Provision of refuse collection and LED					3,535	34,956	34,956	34,956			
Community Services	Safety, traffic, refuse collection					142,073	122,148	122,148	122,148			
Municipal Manager	Support HODS											
To promote good governance and Efficient Administration						9,259	16,018	16,018	16,018			
Institutional development and transformation						13,021	12,772	12,772	12,772			
To provide and promote access to public infrastructure and facilities						14,679	6,834	6,834	6,834			
To promote good financial management and viability						16,890	27,608	27,608	27,608			
Promote social and economic development						3,910	1,304	1,304	1,304			
To promote community welfare							1,889	1,889	1,889			
To provide and promote access to public infrastructure and facilities							1,271	1,271	1,271			
Allocations to other priorities												
Total Expenditure			1	-	-	750,022	735,159	735,159	735,159	-	-	-

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

KZN238 KZN238 - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objectives and Budget (Capital expenditure)												
Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Municipal Manager	Foster participatory democracy and Batho Pele principles	A										
Council General	Fight poverty and build sustainable communities	B										
Corporate services	Promote sound governance, financial sustainability and optimal institutional transformation	C					79,000	79,000	79,000			
Finance	Promote sound governance, financial sustainability and optimal institutional transformation	D					34,750	34,750	34,750			
Infrastructure and services	Provision of quality basic services and infrastructure	E					8,000	8,000	8,000			
Dev Plan & Human Settlements	Economic growth and development that leads to sustainable job creation	F										
Community services	Foster participatory democracy and Batho Pele principles	G										
		H										
To promote good governance and Efficient Administration		I										
Institutional development and transformation		J										
To promote good financial management and viability		K					1,165	1,165	1,165			
Promote social and economic development		L					245	245	245			
To provide and promote access to public infrastructure and facilities		M										
To promote community safety and facilities		N					60,645	60,645	60,645			
To promote infrastructure for community welfare		O					19,092	19,092	19,092			
		P					8,000	8,000	8,000			
Allocations to other priorities			3									
Total Capital Expenditure			1	-	-	-	210,897	210,897	210,897	-	-	-
References												

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table SA36

Insert measure/s description										
Entity 3 - (name of entity)										
Insert measure/s description										
And so on for the rest of the Entities										

1. Include a measurable performance objective as agreed with the parent municipality (MFMA s87(5)(d))
2. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

KZN238 KZN238 - Supporting Table SA8 Performance Indicators and benchmarks

Supporting Table 2A: Performance Indicators and Benchmarks											
Description of financial Indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	-0.7%	-0.5%	0.4%	0.4%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	120.1%	137.1%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	~	-	-	2.5	2.0	-	-	-	-	-
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	-	-	-	2.5	2.0	-	-	-	-	-
Liquidity Ratio	Monetary Assets/Current Liabilities	-	-	-	1.6	0.7	-	-	-	-	-
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	94.8%	89.3%	94.9%	116.6%	0.0%	0.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	94.8%	89.3%	94.9%	116.6%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	0.0%	0.0%	12.8%	26.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))										
Creditors to Cash and Investments		0.0%	0.0%	0.0%	68.2%	96.6%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	28.6%	28.7%	26.2%	25.6%	0.0%	0.0%	0.0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	32.9%	31.8%	28.7%		0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	7.2%	7.0%	0.0%		0.0%	0.0%	0.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	11.4%	10.7%	10.6%	6.8%	0.0%	0.0%	0.0%
<u>IDP regulation financial viability Indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	-	-	-	28.8	28.8	28.8	-	-	-	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	0.0%	0.0%	19.7%	39.8%	0.0%	0.0%	0.0%	0.0%	0.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	-	-	-	4.7	4.0	45.9	0.0	-	-	-

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

[illegible]

Detail on the provision of municipal services for A10

Total municipal services		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets (000)										
Water:										
8	Piped water inside dwelling	-	-	-	2,120	2	-	-	-	-
	Piped water inside yard (but not in dwelling)	-	-	-	9,145	9	-	-	-	-
	Using public tap (at least min.service level)	-	-	-	1,405	1	-	-	-	-
	Other water supply (at least min.service level)	-	-	-	477	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	13,147	12	-	-	-	-
9	Using public tap (< min.service level)	-	-	-	298	-	-	-	-	-
	Other water supply (< min.service level)	-	-	-	216	-	-	-	-	-
	No water supply	-	-	-	8,410	8	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	8,924	6	-	-	-	-
Total number of households		-	-	-	20,071	18	-	-	-	-
Sanitation/sewerage:										
8	Flush toilet (connected to sewerage)	-	-	-	2,704	2,704	-	-	-	-
	Flush toilet (with septic tank)	-	-	-	192	192	-	-	-	-
	Chemical toilet	-	-	-	435	435	-	-	-	-
	Pit toilet (ventilated)	-	-	-	6,051	6,051	-	-	-	-
9	Other toilet provisions (> min.service level)	-	-	-	5,800	5,800	-	-	-	-
	Minimum Service Level and Above sub-total	-	-	-	15,182	15,182	-	-	-	-
	Bucket toilet	-	-	-	182	182	-	-	-	-
10	Other toilet provisions (< min.service level)	-	-	-	912	912	-	-	-	-
	No toilet provisions	-	-	-	3,795	3,795	-	-	-	-
	Below Minimum Service Level sub-total	-	-	-	4,889	4,889	-	-	-	-
Total number of households		-	-	-	20,071	20,071	-	-	-	-
Energy:										
8	Electricity (at least min.service level)	-	-	-	17,488	19,576	-	-	-	-
	Electricity - prepaid (min.service level)	-	-	-	10,755	15,349	-	-	-	-
	Minimum Service Level and Above sub-total	-	-	-	28,243	34,925	-	-	-	-
	Electricity (< min.service level)	-	-	-	1,300	1,300	-	-	-	-
9	Electricity - prepaid (< min.service level)	-	-	-	-	-	-	-	-	-
	Other energy sources	-	-	-	231,257	231,257	-	-	-	-
	Below Minimum Service Level sub-total	-	-	-	232,557	232,557	-	-	-	-
Total number of households		-	-	-	268,800	267,482	-	-	-	-
Refuse:										
8	Removed at least once a week	-	-	-	12,636	40,793	-	-	-	-
	Minimum Service Level and Above sub-total	-	-	-	12,636	40,793	-	-	-	-
	Removed less frequently than once a week	-	-	-	15,329	15,329	-	-	-	-
	Using communal refuse dump	-	-	-	383	383	-	-	-	-
9	Using own refuse dump	-	-	-	11,905	11,905	-	-	-	-
	Other rubbish disposal	-	-	-	105	105	-	-	-	-
	No rubbish disposal	-	-	-	4,985	4,985	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	32,707	32,707	-	-	-	-
Total number of households		-	-	-	45,343	73,500	-	-	-	-

Municipal in-house services		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets (000)										
Water:										
8	Piped water inside dwelling	-	-	-	2,120	2	-	-	-	-
	Piped water inside yard (but not in dwelling)	-	-	-	9,145	9	-	-	-	-
	Using public tap (at least min.service level)	-	-	-	1,405	1	-	-	-	-
	Other water supply (at least min.service level)	-	-	-	477	-	-	-	-	-
Minimum Service Level and Above sub-total		-	-	-	13,147	12	-	-	-	-
9	Using public tap (< min.service level)	-	-	-	298	-	-	-	-	-
	Other water supply (< min.service level)	-	-	-	216	-	-	-	-	-
	No water supply	-	-	-	8,410	8	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	8,924	6	-	-	-	-
Total number of households		-	-	-	20,071	18	-	-	-	-
Sanitation/sewerage:										
8	Flush toilet (connected to sewerage)	-	-	-	2,704	2,704	-	-	-	-
	Flush toilet (with septic tank)	-	-	-	192	192	-	-	-	-
	Chemical toilet	-	-	-	435	435	-	-	-	-
	Pit toilet (ventilated)	-	-	-	6,051	6,051	-	-	-	-
9	Other toilet provisions (> min.service level)	-	-	-	5,800	5,800	-	-	-	-
	Minimum Service Level and Above sub-total	-	-	-	15,182	15,182	-	-	-	-
	Bucket toilet	-	-	-	182	182	-	-	-	-
10	Other toilet provisions (< min.service level)	-	-	-	912	912	-	-	-	-
	No toilet provisions	-	-	-	3,795	3,795	-	-	-	-
	Below Minimum Service Level sub-total	-	-	-	4,889	4,889	-	-	-	-
Total number of households		-	-	-	20,071	20,071	-	-	-	-
Energy:										
8	Electricity (at least min.service level)	-	-	-	17,488	19,576	-	-	-	-
	Electricity - prepaid (min.service level)	-	-	-	10,755	15,349	-	-	-	-
	Minimum Service Level and Above sub-total	-	-	-	28,243	34,925	-	-	-	-
	Electricity (< min.service level)	-	-	-	1,300	1,300	-	-	-	-
9	Electricity - prepaid (< min.service level)	-	-	-	-	-	-	-	-	-
	Other energy sources	-	-	-	231,257	231,257	-	-	-	-
	Below Minimum Service Level sub-total	-	-	-	232,557	232,557	-	-	-	-
Total number of households		-	-	-	268,800	267,482	-	-	-	-
Refuse:										
8	Removed at least once a week	-	-	-	12,636	40,793	-	-	-	-
	Minimum Service Level and Above sub-total	-	-	-	12,636	40,793	-	-	-	-
	Removed less frequently than once a week	-	-	-	15,329	15,329	-	-	-	-
	Using communal refuse dump	-	-	-	383	383	-	-	-	-
9	Using own refuse dump	-	-	-	11,905	11,905	-	-	-	-
	Other rubbish disposal	-	-	-	105	105	-	-	-	-
	No rubbish disposal	-	-	-	4,985	4,985	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	32,707	32,707	-	-	-	-
Total number of households		-	-	-	45,343	73,500	-	-	-	-

Municipal entity services		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Name of municipal entity		Household service targets (000)								
		Water:								
		Piped water inside dwelling								
		Piped water inside yard (but not in dwelling)								
		Using public tap (at least min.service level)								
		Other water supply (at least min.service level)								
		Minimum Service Level and Above sub-total								
		Using public tap (< min.service level)								
		Other water supply (< min.service level)								
		No water supply								
		Below Minimum Service Level sub-total								
		Total number of households								
Name of municipal entity		Sanitation/sewerage:								
		Flush toilet (connected to sewerage)								
		Flush toilet (with septic tank)								
		Chemical toilet								
		Pit toilet (ventilated)								
		Other toilet provisions (> min.service level)								
		Minimum Service Level and Above sub-total								
		Bucket toilet								
		Other toilet provisions (< min.service level)								
		No toilet provisions								
		Below Minimum Service Level sub-total								
		Total number of households								
Name of municipal entity		Electricity:								
		Electricity (at least min.service level)								
		Electricity - prepaid (min.service level)								
		Minimum Service Level and Above sub-total								
		Electricity (< min.service level)								
		Electricity - prepaid (< min.service level)								
		Other energy sources								
		Below Minimum Service Level sub-total								
		Total number of households								
Name of municipal entity		Refuse:								
		Removed at least once a week								
		Minimum Service Level and Above sub-total								
		Removed less frequently than once a week								
		Using communal refuse dump								
		Using own refuse dump								
		Other rubbish disposal								
		No rubbish disposal								
		Below Minimum Service Level sub-total								
		Total number of households								
Services provided by 'external mechanisms'		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Names of service providers		Household service targets (000)								
		Water:								
		Piped water inside dwelling								
		Piped water inside yard (but not in dwelling)								
		Using public tap (at least min.service level)								
		Other water supply (at least min.service level)								
		Minimum Service Level and Above sub-total								
		Using public tap (< min.service level)								
		Other water supply (< min.service level)								
		No water supply								
		Below Minimum Service Level sub-total								
		Total number of households								
Names of service providers		Sanitation/sewerage:								
		Flush toilet (connected to sewerage)								
		Flush toilet (with septic tank)								
		Chemical toilet								
		Pit toilet (ventilated)								
		Other toilet provisions (> min.service level)								
		Minimum Service Level and Above sub-total								
		Bucket toilet								
		Other toilet provisions (< min.service level)								
		No toilet provisions								
		Below Minimum Service Level sub-total								
		Total number of households								
Names of service providers		Electricity:								
		Electricity (at least min.service level)								
		Electricity - prepaid (min.service level)								
		Minimum Service Level and Above sub-total								
		Electricity (< min.service level)								
		Electricity - prepaid (< min.service level)								
		Other energy sources								
		Below Minimum Service Level sub-total								
		Total number of households								
Names of service providers		Refuse:								
		Removed at least once a week								
		Minimum Service Level and Above sub-total								
		Removed less frequently than once a week								
		Using communal refuse dump								
		Using own refuse dump								
		Other rubbish disposal								
		No rubbish disposal								
		Below Minimum Service Level sub-total								
		Total number of households								
Detail of Free Basic Services (FBS) provided		2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Electricity		Location of households for each type of FBS								
List type of FBS service		Formal settlements - (50 kwh per indigent household per month R'000)								
		Number of HH receiving this type of FBS								
		Informal settlements (R'000)								
		Number of HH receiving this type of FBS								
		Informal settlements targeted for upgrading (R'000)								
		Number of HH receiving this type of FBS								
		Living in Informal backyard rental agreement (R'000)								
		Number of HH receiving this type of FBS								
		Other (R'000)								
		Number of HH receiving this type of FBS								

Water		Ref.	Total cost of FBS - Electricity for Informal settlements	-	-	-	-	-	-	-	-
Last type of FBS service			Location of households for each type of FBS								
			Formal settlements - (6 kilolitre per indigent household per month R'000)								
			Number of HH receiving this type of FBS								
			Informal settlements (R'000)								
			Number of HH receiving this type of FBS								
			Informal settlements targeted for upgrading (R'000)								
			Number of HH receiving this type of FBS								
			Living in Informal backyard rental agreement (R'000)								
			Number of HH receiving this type of FBS								
			Other (R'000)								
			Number of HH receiving this type of FBS								
			Total cost of FBS - Water for Informal settlements	-	-	-	-	-	-	-	-
Sanitation		Ref.	Location of households for each type of FBS								
Last type of FBS service			Formal settlements - (free sanitation service to indigent households)								
			Number of HH receiving this type of FBS								
			Informal settlements (R'000)								
			Number of HH receiving this type of FBS								
			Informal settlements targeted for upgrading (R'000)								
			Number of HH receiving this type of FBS								
			Living in Informal backyard rental agreement (R'000)								
			Number of HH receiving this type of FBS								
			Other (R'000)								
			Number of HH receiving this type of FBS								
			Total cost of FBS - Sanitation for Informal settlements	-	-	-	-	-	-	-	-
Refuse Removal		Ref.	Location of households for each type of FBS								
Last type of FBS service			Formal settlements - (removed once a week to indigent households)			9 322,000	4,848,000				
			Number of HH receiving this type of FBS								
			Informal settlements (R'000)								
			Number of HH receiving this type of FBS								
			Informal settlements targeted for upgrading (R'000)								
			Number of HH receiving this type of FBS								
			Living in Informal backyard rental agreement (R'000)								
			Number of HH receiving this type of FBS								
			Other (R'000)								
			Number of HH receiving this type of FBS								
			Total cost of FBS - Refuse Removal for Informal settlements	-	-	-	-	-	-	-	-

References

1. Monthly household income threshold. Should include all sources of income.
2. Show the poverty analysis the municipality uses to determine its indigent policy and the provision of services
3. Include total of all housing units within the municipality
4. Number of subsidised dwellings to be constructed by the municipality under agency agreement with province
5. Provide estimate based on building approval information. Include any non-subsidised dwellings constructed by the municipality
6. Insert actual or estimated % increases assumed as a basis for budget calculations
7. Insert actual or estimated % collection rate assumed as a basis for budget calculations for each revenue group
8. Stand distance <= 200m from dwelling
9. Stand distance > 200m from dwelling

KZN238 KZN238 Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	-	-	-	211,283	181,241	1,797,850	408	-	-	-
Cash + investments at the yr end less applications - R'000	18(1)b	2	-	-	-	100,614	44,798	-	-	-	-	-
Cash year end/monthly employee/supplier payments	18(1)b	3	-	-	-	4.7	4.0	45.9	0.0	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	-	-	-	108,428	103,442	257,748	288,270	-	-	-
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	(6.0%)	(6.0%)	(3.0%)	(3.6%)	(24.7%)	(106.0%)	(6.0%)	(6.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	93.5%	88.9%	99.5%	123.4%	0.0%	0.0%	0.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	5.3%	7.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	100.0%	95.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	(0.7%)	(0.5%)	0.4%	0.4%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	0.0%	0.0%	0.0%	106.9%	(100.0%)	0.0%	(100.0%)	0.0%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	(12.5%)	(100.0%)	0.0%	(100.0%)	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	5.5%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	28.5%	24.1%	0.0%	0.0%	0.0%	0.0%	0.0%
References												

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Indicative of average cash collection forecasts as % of annual billed revenue
7. Indicative of average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

KZN238 KZN238 - Supporting Table SA11 Property rates summary

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Valuation:	1									
Date of valuation:										
Financial year valuation used										
Municipal by-laws s6 in place? (Y/N)	2									
Municipal/assistant valuer appointed? (Y/N)										
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3									
No. of data collectors (FTE)	3									
No. of internal valuers (FTE)	3									
No. of external valuers (FTE)	3									
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)										
Implementation time of new valuation roll (mths)										
No. of properties	5									
No. of sectional title values	5									
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations										
No. of valuation roll amendments										
No. of objections by rate payers										
No. of appeals by rate payers										
No. of successful objections	8									
No. of successful objections > 10%	8									
Supplementary valuation										
Public service infrastructure value (Rm)	5									
Municipality owned property value (Rm)										
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
Total valuation reductions:		-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	5									
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5									
Rating:										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5									
Limit on annual rate increase (s20)? (Y/N)										
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)										
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R'000)	6									
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discs (R'000)										
Total rebates, exemptns, reductns, discs (R'000)		-	-	-	-	-	-	-	-	-

References

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
2. To give effect to rates policy
3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
4. Required to implement new system (FTE)
5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
7. Included in rate revenue budget
8. In favour of the rate-payer

KZN238 KZN238 - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
Current Year 2016/17																	
Valuation:																	
No. of properties																	
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (Rm)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of successful objections	5																
No. of successful objections > 10%	5																
Estimated no. of properties not valued																	
Years since last valuation (select)																	
Frequency of valuation (select)																	
Method of valuation used (select)																	
Base of valuation (select)																	
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Flat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)																	
Total valuation reductions:	2																
Total value used for rating (Rm)																	
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6																
Rating:																	
Average rate	3																
Rate revenue budget (R'000)																	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)	4																
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
Total rebates, exemptions, discounts (R'000)																	

References

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is 'free' value greater than MPPA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

KZN238 KZN238 - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework	
							Budget Year 2017/18	Budget Year +1 2018/19
Property ratings (rate in the Rand)	1							
Residential properties								
Residential properties - vacant land								
Formal/informal settlements								
Small holdings								
Farm properties - used								
Farm properties - not used								
Industrial properties								
Business and commercial properties								
Communal land - residential								
Communal land - small holdings								
Communal land - farm property								
Communal land - business and commercial								
Communal land - other								
State-owned properties								
Municipal properties								
Public service infrastructure								
Privately owned towns serviced by the owner								
State trust land								
Restitution and redistribution properties								
Protected areas								
National monuments properties								
Exemptions, reductions and rebates (Rands)								
Residential properties								
R15 000 threshold rebate			15,000	15,000	15,000	15,000	15,000	15,000
General residential rebate								
Indigent rebate or exemption								
Pensioners/social grants rebate or exemption								
Temporary relief rebate or exemption								
Bona fide farmers rebate or exemption								
Other rebates or exemptions	2							
Water tariffs								
Domestic								
Basic charge/flat fee (Rands/month)								
Service point - vacant land (Rands/month)								
Water usage - flat rate tariff (c/k)								
Water usage - life line tariff								
Water usage - Block 1 (c/k)		(describe structure)						
Water usage - Block 2 (c/k)		(fill in thresholds)						
Water usage - Block 3 (c/k)		(fill in thresholds)						
Water usage - Block 4 (c/k)		(fill in thresholds)						
Other	2							
Waste water tariffs								
Domestic								
Basic charge/flat fee (Rands/month)								
Service point - vacant land (Rands/month)								
Waste water - flat rate tariff (c/k)								
Volumetric charge - Block 1 (c/k)		(fill in structure)						
Volumetric charge - Block 2 (c/k)		(fill in structure)						
Volumetric charge - Block 3 (c/k)		(fill in structure)						

KZN238 KZN238 - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Exemptions, reductions and rebates (Rands) <i>(insert lines as applicable)</i>									
<u>Water tariffs</u> <i>(insert blocks as applicable)</i>		<p>(fill in thresholds)</p> <p>(fill in thresholds)</p> <p>(fill in thresholds)</p> <p>(fill in thresholds)</p> <p>(fill in thresholds)</p> <p>(fill in thresholds)</p> <p>(fill in thresholds)</p> <p>(fill in thresholds)</p>							
<u>Waste water tariffs</u> <i>(insert blocks as applicable)</i>		<p>(fill in structure)</p> <p>(fill in structure)</p> <p>(fill in structure)</p> <p>(fill in structure)</p> <p>(fill in structure)</p> <p>(fill in structure)</p> <p>(fill in structure)</p>							
<u>Electricity tariffs</u> <i>(insert blocks as applicable)</i>		<p>(fill in thresholds)</p> <p>(fill in thresholds)</p> <p>(fill in thresholds)</p> <p>(fill in thresholds)</p> <p>(fill in thresholds)</p> <p>(fill in thresholds)</p> <p>(fill in thresholds)</p> <p>(fill in thresholds)</p> <p>(fill in thresholds)</p> <p>(fill in thresholds)</p>							

KZN238 KZN238 - Supporting Table SA14 Household bills

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % Incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total large household bill:		-	-	-	-	-	-	-	-	-	-
% increase/decrease			-	-	-	-	-	-	-	-	-
<u>Monthly Account for Household - 'Affordable Range'</u>	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/decrease			-	-	-	-	-	-	-	-	-
<u>Monthly Account for Household - 'Indigent'</u>	3										
<u>Household receiving free basic services</u>											
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% increase/decrease			-	-	-	-	-	-	-	-	-

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

KZN238 KZN238 - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-

References

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

KZN238 KZN238 - Supporting Table SA16 investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed Interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment
Name of Institution & Investment ID	1	Yrs/Months							
Parent municipality									
Municipality sub-total									
Entities									
Entities sub-total									
TOTAL INVESTMENTS AND INTEREST	1								

References
1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)
2. List investments in expiry date order

KZN238 KZN238 - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	-	-	-

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

References

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)

KZN238 KZN238 - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	-	-	192,095	192,095	192,093	-	-	-
Local Government Equitable Share		-	-	-	183,739	183,739	183,737			
		-	-	-	4,906	4,906	4,906			
		-	-	-	3,450	3,450	3,450			
		-	-	-	-	-	-			
		-	-	-	-	-	-			
Other transfers/grants [insert description]		-	-	-	-	-	-			
Provincial Government:		-	-	-	16,365	13,800	200	-	-	-
		-	-	-	-	-	-			
		-	-	-	1,681	1,681	200			
		-	-	-	-	-	-			
Other transfers/grants [insert description]		-	-	-	14,684	12,119	-			
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-			
		-	-	-	-	-	-			
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-			
		-	-	-	-	-	-			
Total Operating Transfers and Grants	5	-	-	-	208,460	205,894	192,293	-	-	-
Capital Transfers and Grants										
National Government:		-	-	-	70,353	11,500	81,853	-	-	-
		-	-	-	10,000	1,500	11,500			
		-	-	-	-	-	-			
		-	-	-	-	-	-			
Other capital transfers/grants MIG		-	-	-	60,353	10,000	70,353			
Provincial Government:		-	-	-	50,000	50,000	50,000	-	-	-
		-	-	-	-	-	-			
Other capital transfers/grants [insert description]		-	-	-	50,000	50,000	50,000			
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-			
		-	-	-	-	-	-			
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-			
		-	-	-	-	-	-			
Total Capital Transfers and Grants	5	-	-	-	120,353	61,500	131,853	-	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	-	-	328,813	267,394	324,146	-	-	-

References

1. Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
2. Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)
3. Replacement of RSC levies
4. Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
5. Total transfers and grants must reconcile to Budgeted Cash Flows
6. Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

KZN238 KZN238 - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		-	-	-	192,095	192,095	192,095	-	-	-
Local Government Equitable Share					183,739	183,739	183,739			
					4,906	4,906	4,906			
					3,450	3,450	3,450			
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	16,365	16,365	16,365	-	-	-
					1,681	1,681	1,681			
Other transfers/grants [insert description]					14,684	14,684	14,684			
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		-	-	-	208,460	208,460	208,460	-	-	-
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		-	-	-	70,353	11,500	81,853	-	-	-
					10,000	1,500	11,500			
Other capital transfers/grants MIG					60,353	10,000	70,353			
Provincial Government:		-	-	-	50,000	50,000	50,000	-	-	-
Other capital transfers/grants [insert description]					50,000	50,000	50,000			
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		-	-	-	120,353	61,500	131,853	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	-	-	328,813	269,960	340,313	-	-	-

References

1. Expenditure must be separately listed for each transfer or grant received or recognised

KZN238 KZN238 - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Operating transfers and grants revenue										
Total operating transfers and grants - CTBM	2									
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue										
Total capital transfers and grants - CTBM	2									
TOTAL TRANSFERS AND GRANTS REVENUE										
TOTAL TRANSFERS AND GRANTS - CTBM										

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance
2. CTBM = conditions to be met
3. National Treasury database will require this reconciliation for each transfer/grant

KZN238 KZN238 - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
<u>Cash Transfers to other municipalities</u> <i>Insert description</i>	1	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-			
		-	-	-	1,951	5,442	656	852			
Total Cash Transfers To Municipalities:		-	-	-	1,951	5,442	656	852	-	-	-
<u>Cash Transfers to Entities/Other External Mechanisms</u> <i>Insert description</i>	2	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-			
Total Cash Transfers To Entities/Em's		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to other Organs of State</u> <i>Insert description</i>	3	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-			
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Organisations</u> <i>Insert description</i>		-	-	-	-	-	-	-			
		-	-	-	-	-	-	-			
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
<u>Cash Transfers to Groups of Individuals</u> <i>Insert description</i>		-	-	-	-	-	-	-			
		-	-	-	-	-	-	-			
Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	1,951	5,442	656	852	-	-	-
<u>Non-Cash Transfers to other municipalities</u> <i>Insert description</i>	1	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-			
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to Entities/Other External Mechanisms</u> <i>Insert description</i>	2	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-			
Total Non-Cash Transfers To Entities/Em's		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Transfers to other Organs of State</u> <i>Insert description</i>	3	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-			
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
<u>Non-Cash Grants to Organisations</u> <i>Insert description</i>	4	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-			
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
<u>Groups of Individuals</u> <i>Insert description</i>	5	-	-	-	-	-	-	-			
		-	-	-	-	-	-	-			
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	-	-	-	1,951	5,442	656	852	-	-	-

References

1. Insert description listed by municipal name and demarcation code of recipient
2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)
3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)
4. Insert description of each other organisation (e.g. charity)
5. Insert description of each other organisation (e.g. the aged, child-headed households)
6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

KZN238 KZN238 - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
			A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)		1									
Basic Salaries and Wages			-	-	-	16 769	16 769	13 633	-	-	-
Pension and UIF Contributions			-	-	-	1 029	1 634	1 426	-	-	-
Medical Aid Contributions			-	-	-	244	104	83	-	-	-
Motor Vehicle Allowance			-	-	-	3 841	2 969	2 319	-	-	-
Cellphone Allowance			-	-	-	1 615	1 462	1 271	-	-	-
Housing Allowances			-	-	-	-	-	-	-	-	-
Other benefits and allowances			-	-	-	-	-	-	-	-	-
Sub Total - Councillors			-	-	-	81	81	-	-	-	-
% Increase		4	-	-	-	23,568	22,029	18,741	(100.0%)	-	-
Senior Managers of the Municipality		2									
Basic Salaries and Wages			-	-	-	-	-	-	-	-	-
Pension and UIF Contributions			-	-	-	-	-	-	-	-	-
Medical Aid Contributions			-	-	-	-	-	-	-	-	-
Overtime			-	-	-	-	-	-	-	-	-
Performance Bonus			-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		3	-	-	-	-	-	-	-	-	-
Cellphone Allowance		3	-	-	-	-	-	-	-	-	-
Housing Allowances		3	-	-	-	-	-	-	-	-	-
Other benefits and allowances		3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave			-	-	-	-	-	-	-	-	-
Long service awards			-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality			-	-	-	-	-	-	-	-	-
% Increase		4	-	-	-	-	-	-	-	-	-
Other Municipal Staff											
Basic Salaries and Wages			-	-	-	156 266	153,807	147 630	-	-	-
Pension and UIF Contributions			-	-	-	1 429	2 148	1 319	-	-	-
Medical Aid Contributions			-	-	-	6 818	6 784	5 662	-	-	-
Overtime			-	-	-	7,107	7 028	6 649	-	-	-
Performance Bonus			-	-	-	3 000	3 000	-	-	-	-
Motor Vehicle Allowance		3	-	-	-	12 306	13,808	12 321	-	-	-
Cellphone Allowance		3	-	-	-	48	43	38	-	-	-
Housing Allowances		3	-	-	-	1 619	1 812	1 438	-	-	-
Other benefits and allowances		3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave			-	-	-	-	-	-	-	-	-
Long service awards			-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		6	-	-	-	21,894	22,459	19,987	-	-	-
Sub Total - Other Municipal Staff			-	-	-	213,676	210,664	195,245	(100.0%)	-	-
% Increase		4	-	-	-	-	(1.4%)	(7.3%)	-	-	-
Total Parent Municipality			-	-	-	237,273	233,293	213,986	(100.0%)	-	-
Board Members of Entities											
Basic Salaries and Wages			-	-	-	-	-	-	-	-	-
Pension and UIF Contributions			-	-	-	-	-	-	-	-	-
Medical Aid Contributions			-	-	-	-	-	-	-	-	-
Overtime			-	-	-	-	-	-	-	-	-
Performance Bonus			-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		3	-	-	-	-	-	-	-	-	-
Cellphone Allowance		3	-	-	-	-	-	-	-	-	-
Housing Allowances		3	-	-	-	-	-	-	-	-	-
Other benefits and allowances		3	-	-	-	-	-	-	-	-	-
Board Fees			-	-	-	-	-	-	-	-	-
Payments in lieu of leave			-	-	-	-	-	-	-	-	-
Long service awards			-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		6	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities			-	-	-	-	-	-	-	-	-
% Increase		4	-	-	-	-	-	-	-	-	-
Senior Managers of Entities											
Basic Salaries and Wages			-	-	-	-	-	-	-	-	-
Pension and UIF Contributions			-	-	-	-	-	-	-	-	-
Medical Aid Contributions			-	-	-	-	-	-	-	-	-
Overtime			-	-	-	-	-	-	-	-	-
Performance Bonus			-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		3	-	-	-	-	-	-	-	-	-
Cellphone Allowance		3	-	-	-	-	-	-	-	-	-
Housing Allowances		3	-	-	-	-	-	-	-	-	-
Other benefits and allowances		3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave			-	-	-	-	-	-	-	-	-
Long service awards			-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities			-	-	-	-	-	-	-	-	-
% Increase		4	-	-	-	-	-	-	-	-	-
Other Staff of Entities											
Basic Salaries and Wages			-	-	-	-	-	-	-	-	-
Pension and UIF Contributions			-	-	-	-	-	-	-	-	-
Medical Aid Contributions			-	-	-	-	-	-	-	-	-
Overtime			-	-	-	-	-	-	-	-	-
Performance Bonus			-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		3	-	-	-	-	-	-	-	-	-
Cellphone Allowance		3	-	-	-	-	-	-	-	-	-
Housing Allowances		3	-	-	-	-	-	-	-	-	-
Other benefits and allowances		3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave			-	-	-	-	-	-	-	-	-
Long service awards			-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		6	-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities			-	-	-	-	-	-	-	-	-
% Increase		4	-	-	-	-	-	-	-	-	-
Total Municipal Entities			-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS			-	-	-	237,273	233,293	213,986	-	-	-
% Increase		4	-	-	-	-	(1.7%)	(8.3%)	(100.0%)	-	-
TOTAL MANAGERS AND STAFF		5,7	-	-	-	213,676	210,664	195,245	-	-	-

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved

2. s57 of the Systems Act

3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance

4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D

5. Must agree to the sub-total appearing on Table A1 (Employee costs)

6. Includes pension payments and employer contributions to medical aid

7. Correct as at 30 June

Column Definitions:

A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited

D. The original budget approved by council for the budget year.

E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.

F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.

G. The amount to be appropriated for the budget year.

H and I. The indicative projection

KZN238 KZN238 - Supporting Table SA24 Summary of personnel numbers

REN200 REN200 - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)						72	-	73			
Board Members of municipal entities		4									
Municipal employees		5									
Municipal Manager and Senior Managers		3				11	1	10			
Other Managers		7				59	58	1			
Professionals						681	387	318			
Finance						108	92	13			
Spatial/town planning						90	95				
Information Technology						6	7	2			
Roads											
Electricity						477	174	303			
Water											
Sanitation											
Refuse											
Other											
Technicians							19				
Finance						33	53	-			
Spatial/town planning											
Information Technology											
Roads							20				
Electricity						33	33				
Water											
Sanitation											
Refuse											
Other											
Clerks (Clerical and administrative)						167	167				
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators											
Elementary Occupations											
TOTAL PERSONNEL NUMBERS		9	-	-	-	299	299				
% Increase						1,322	965	402	-	-	-
Total municipal employees headcount		6, 10				-	-	-	(100.0%)	(100.0%)	(100.0%)
Finance personnel headcount		8, 10									
Human Resources personnel headcount		8, 10									

References

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number to persons, Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
total number of employees working on these functions

KZN238 KZN238 - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Revenue By Source																
Property rates																
Property rates - penalties & collection charges																
Service charges - electricity revenue																
Service charges - water revenue																
Service charges - sanitation revenue																
Service charges - refuse revenue																
Service charges - other																
Rental of facilities and equipment																
Interest earned - external investments																
Interest earned - outstanding debtors																
Dividends received																
Fines																
Licences and permits																
Agency services																
Transfers recognised - operational																
Other revenue																
Gains on disposal of PPE																
Total Revenue (excluding capital transfers and contribution)																
Expenditure By Type																
Employee related costs																
Remuneration of councillors																
Debt impairment																
Depreciation & asset impairment																
Finance charges																
Bulk purchases																
Other materials																
Contracted services																
Transfers and grants																
Other expenditure																
Loss on disposal of PPE																
Total Expenditure																
Surplus/(Deficit)																
Transfers recognised - capital																
Contributions recognised - capital																
Contributed assets																
Surplus/(Deficit) after capital transfers & contributions																
Taxation																
Attributable to minorities																
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)																
References	1															

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

KZN238 KZN238 - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Revenue by Vote																
Vote 1 - Executive and Council		27,227	27,227	27,227	27,227	27,227	27,227	27,227	27,227	27,227	27,227	27,227	48,029	(320,299)	-	-
Vote 2 - Corporate Services		34	34	34	34	34	34	34	34	34	34	34	69	(409)	-	-
Vote 3 - Finance		514	514	514	514	514	514	514	514	514	514	514	1,035	(6,175)	-	-
Vote 4 - Public Works and Services		9,639	9,639	9,639	9,639	9,639	9,639	9,639	9,639	9,639	9,639	9,639	19,321	(115,711)	-	-
Vote 5 - Community Services		6,066	6,066	6,066	6,066	6,066	6,066	6,066	6,066	6,066	6,066	6,066	12,137	(72,797)	-	-
Vote 6 - Electrical Services		28,071	28,071	28,071	28,071	28,071	28,071	28,071	28,071	28,071	28,071	28,071	56,150	(336,860)	-	-
Vote 7 - Development, Planning and Human Settlements		215	215	215	215	215	215	215	215	215	215	215	440	(2,590)	-	-
Vote 8 - Null															-	-
Vote 9 - Null															-	-
Vote 10 - Null															-	-
Vote 11 - Null															-	-
Vote 12 - Null															-	-
Vote 13 - Null															-	-
Vote 14 - Null															-	-
Vote 15 - Null															-	-
Total Revenue by Vote		71,766	71,766	71,766	71,766	71,766	71,766	71,766	71,766	71,766	71,766	71,766	137,181	(854,841)	-	-
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		12,981	12,981	12,981	12,981	12,981	12,981	12,981	12,981	12,981	12,981	12,981	25,969	(155,779)	-	-
Vote 2 - Corporate Services		1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	1,615	3,230	(19,380)	-	-
Vote 3 - Finance		2,975	2,975	2,975	2,975	2,975	2,975	2,975	2,975	2,975	2,975	2,975	5,954	(35,704)	-	-
Vote 4 - Public Works and Services		8,122	8,122	8,122	8,122	8,122	8,122	8,122	8,122	8,122	8,122	8,122	16,250	(97,470)	-	-
Vote 5 - Community Services		11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	11,558	23,122	(138,702)	-	-
Vote 6 - Electrical Services		21,760	21,760	21,760	21,760	21,760	21,760	21,760	21,760	21,760	21,760	21,760	43,522	(261,122)	-	-
Vote 7 - Development, Planning and Human Settlements		3,104	3,104	3,104	3,104	3,104	3,104	3,104	3,104	3,104	3,104	3,104	6,215	(37,255)	-	-
Vote 8 - Null															-	-
Vote 9 - Null															-	-
Vote 10 - Null															-	-
Vote 11 - Null															-	-
Vote 12 - Null															-	-
Vote 13 - Null															-	-
Vote 14 - Null															-	-
Vote 15 - Null															-	-
Total Expenditure by Vote		62,115	62,115	62,115	62,115	62,115	62,115	62,115	62,115	62,115	62,115	62,115	124,262	(745,412)	-	-
Surplus/(Deficit) before assoc.		9,651	9,651	9,651	9,651	9,651	9,651	9,651	9,651	9,651	9,651	9,651	12,919	(109,429)	-	-
Taxation															-	-
Attributable to minorities															-	-
Share of surplus/ (deficit) of associate															-	-
Surplus/(Deficit)	1	9,651	9,651	9,651	9,651	9,651	9,651	9,651	9,651	9,651	9,651	9,651	12,919	(109,429)	-	-
References																

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

KZN238 - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

R thousand	Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Standard	Governance and administration		27,240	27,240	27,240	27,240	27,240	27,240	27,240	27,240	27,240	27,240	27,240	54,480	(326,883)	-	-
	Executive and council		26,692	26,692	26,692	26,692	26,692	26,692	26,692	26,692	26,692	26,692	26,692	53,383	(320,298)	-	-
	Budget and treasury office		515	515	515	515	515	515	515	515	515	515	515	1,030	(6,175)	-	-
	Corporate services		34	34	34	34	34	34	34	34	34	34	34	68	(405)	-	-
	Community and public safety		2,278	2,278	2,278	2,278	2,278	2,278	2,278	2,278	2,278	2,278	2,278	4,556	(27,334)	-	-
	Community and social services		560	560	560	560	560	560	560	560	560	560	560	1,120	(6,721)	-	-
	Sport and recreation														-	-	-
	Public safety		1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	1,543	3,086	(18,511)	-	-
	Housing		175	175	175	175	175	175	175	175	175	175	175	350	(2,102)	-	-
	Health		9,667	9,667	9,667	9,667	9,667	9,667	9,667	9,667	9,667	9,667	9,667	19,334	(116,003)	-	-
	Economic and environmental services		24	24	24	24	24	24	24	24	24	24	24	48	(292)	-	-
	Planning and development		9,643	9,643	9,643	9,643	9,643	9,643	9,643	9,643	9,643	9,643	9,643	19,286	(115,711)	-	-
	Road transport														-	-	-
	Environmental protection														-	-	-
	Trading services		32,052	32,052	32,052	32,052	32,052	32,052	32,052	32,052	32,052	32,052	32,052	64,103	(384,621)	-	-
	Electricity		28,072	28,072	28,072	28,072	28,072	28,072	28,072	28,072	28,072	28,072	28,072	56,143	(336,859)	-	-
	Water														-	-	-
	Waste water management														-	-	-
	Waste management		3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	7,960	(47,762)	-	-
	Other														-	-	-
Total Revenue - Standard			71,237	71,237	71,237	71,237	71,237	71,237	71,237	71,237	71,237	71,237	71,237	142,473	(854,841)	-	-
Expenditure - Standard	Governance and administration		17,583	17,583	17,583	17,583	17,583	17,583	17,583	17,583	17,583	17,583	17,583	35,166	(210,953)	-	-
	Executive and council		12,988	12,988	12,988	12,988	12,988	12,988	12,988	12,988	12,988	12,988	12,988	25,976	(155,859)	-	-
	Budget and treasury office		2,975	2,975	2,975	2,975	2,975	2,975	2,975	2,975	2,975	2,975	2,975	5,950	(35,704)	-	-
	Corporate services		1,619	1,619	1,619	1,619	1,619	1,619	1,619	1,619	1,619	1,619	1,619	3,239	(19,431)	-	-
	Community and public safety		10,031	10,031	10,031	10,031	10,031	10,031	10,031	10,031	10,031	10,031	10,031	20,061	(120,366)	-	-
	Community and social services		5,935	5,935	5,935	5,935	5,935	5,935	5,935	5,935	5,935	5,935	5,935	11,870	(71,220)	-	-
	Sport and recreation														-	-	-
	Public safety		3,068	3,068	3,068	3,068	3,068	3,068	3,068	3,068	3,068	3,068	3,068	6,136	(36,819)	-	-
	Housing		1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	2,054	(12,328)	-	-
	Health														-	-	-
	Economic and environmental services		9,524	9,524	9,524	9,524	9,524	9,524	9,524	9,524	9,524	9,524	9,524	19,048	(114,286)	-	-
	Planning and development		1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	1,616	3,232	(19,391)	-	-
	Road transport		7,908	7,908	7,908	7,908	7,908	7,908	7,908	7,908	7,908	7,908	7,908	15,816	(94,885)	-	-
	Environmental protection														-	-	-
	Trading services		24,981	24,981	24,981	24,981	24,981	24,981	24,981	24,981	24,981	24,981	24,981	49,962	(299,767)	-	-
	Electricity		21,749	21,749	21,749	21,749	21,749	21,749	21,749	21,749	21,749	21,749	21,749	43,498	(260,987)	-	-
	Water														-	-	-
	Waste water management														-	-	-
	Waste management		3,232	3,232	3,232	3,232	3,232	3,232	3,232	3,232	3,232	3,232	3,232	6,464	(38,779)	-	-
	Other														-	-	-
Total Expenditure - Standard			62,118	62,118	62,118	62,118	62,118	62,118	62,118	62,118	62,118	62,118	62,118	124,236	(745,412)	-	-
Surplus/(Deficit) before assoc.			9,119	9,119	9,119	9,119	9,119	9,119	9,119	9,119	9,119	9,119	9,119	18,237	(109,429)	-	-
Surplus/(Deficit)			1	9,119	9,119	9,119	9,119	9,119	9,119	9,119	9,119	9,119	9,119	18,237	(109,429)	-	-

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

KZN238 KZN238 - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council																
Vote 2 - Corporate Services																
Vote 3 - Finance																
Vote 4 - Public Works and Services																
Vote 5 - Community Services																
Vote 6 - Electrical Services																
Vote 7 - Development, Planning and Human Settlements																
Vote 8 - Null																
Vote 9 - Null																
Vote 10 - Null																
Vote 11 - Null																
Vote 12 - Null																
Vote 13 - Null																
Vote 14 - Null																
Vote 15 - Null																
Capital multi-year expenditure sub-total	2															
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council																
Vote 2 - Corporate Services																
Vote 3 - Finance																
Vote 4 - Public Works and Services		2,621	2,242	686	4,093	6,500	14,234	6,196	24,887	24,887	24,887	34,887	(146,220)			
Vote 5 - Community Services		220		990	1,330	268	814	330	2,723	5,448	5,448	5,448	(23,019)			
Vote 6 - Electrical Services					322	40		736	3,248	6,498	6,498	6,498	(23,841)			
Vote 7 - Development, Planning and Human Settlements			568		2,433	88		1,263	150	150	300	300	(5,252)			
Vote 8 - Null																
Vote 9 - Null																
Vote 10 - Null																
Vote 11 - Null																
Vote 12 - Null																
Vote 13 - Null																
Vote 14 - Null																
Vote 15 - Null																
Capital single-year expenditure sub-total	2	2,841	2,810	1,676	8,178	6,996	15,048	8,525	31,009	38,588	38,738	48,739	(203,148)			
Total Capital Expenditure	2	2,841	2,810	1,676	8,178	6,996	15,048	8,525	31,009	38,588	38,738	48,739	(203,148)			

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

KZN238 KZN238 - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

R thousand	Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
1	Capital Expenditure - Standard																
	<i>Governance and administration</i>																
	Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Budget and treasury office																
	Corporate services																
	Community and public safety																
	Community and social services																
	Sport and recreation																
	Public safety																
	Housing																
	Health																
	Economic and environmental services																
	Planning and development																
	Road transport																
	Environmental protection																
2	Trading services																
	Electricity																
	Water																
	Waste water management																
	Waste management																
	<i>Other</i>																
	Total Capital Expenditure - Standard		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Funded by:																
	National Government																
	Provincial Government																
	District Municipality																
	Other transfers and grants																
	Transfers recognised - capital																
	Public contributions & donations																
	Borrowing																
	Internally generated funds																
	Total Capital Funding		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure check

MONTHLY CASH FLOWS		Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year+1 2018/19	Budget Year+2 2019/20
Cash Receipts By Source																
Property rates		13,092	13,092	13,092	13,092	13,092	13,092	13,092	13,092	13,092	13,092	26,184	(157,100)	1	-	-
Property rates - penalties & collection charges																
Service charges - electricity revenue		27,095	27,095	27,095	27,095	27,095	27,095	27,095	27,095	27,095	27,095	54,180	(325,137)			
Service charges - water revenue																
Service charges - sanitation revenue																
Service charges - refuse revenue																
Service charges - other																
Rental of facilities and equipment																
Interest earned - external investments		1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	2,512	(16,074)			
Interest earned - outstanding debtors																
Dividends received																
Fines																
Licenses and permits																
Agency services		69,298				69,298										
Transfer receipts - operational		2,345	2,345	2,345	2,345	2,345	2,345	2,345	2,345	2,345	2,345	4,690	(207,884)			
Other revenue																
Cash Receipts by Source		113,086	43,788	43,788	43,788	113,086	43,788	43,788	43,788	113,086	43,788	87,576	(733,350)			
Other Cash Flows by Source																
Transfer receipts - capital		45,632				45,632										
Contributions recognised - capital & Contributed assets																
Proceeds on disposal of PPE																
Short term loans																
Borrowing long term/refinancing																
Increase (decrease) in consumer deposits																
Decrease (increase) in non-current debtors																
Decrease (increase) other non-current receivables																
Decrease (increase) in non-current investments																
Total Cash Receipts by Source		158,718	43,788	43,788	43,788	158,718	43,788	43,788	43,788	158,718	43,788	87,576	(870,246)			
Cash Payments by Type																
Employee related costs		17,555	17,555	17,555	17,555	17,555	17,555	17,555	17,555	17,555	17,555	35,110	(210,564)			
Remuneration of councillors		1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	1,886	3,772	(22,628)			
Finance charges		49	49	49	49	49	49	49	49	49	49	98	(591)			
Bulk purchases - Electricity		16,927	16,927	16,927	16,927	16,927	16,927	16,927	16,927	16,927	16,927	33,854	(203,126)			
Bulk purchases - Water & Sewer																
Other materials																
Contracted services																
Transfers and grants - other municipalities		454	454	454	454	454	454	454	454	454	454	907	(5,442)			
Transfers and grants - other		28,331	28,331	28,331	28,331	28,331	28,331	28,331	28,331	28,331	28,331	41,048	(324,355)			
Other expenditure																
Cash Payments by Type		65,202	65,202	65,202	65,202	65,202	65,202	65,202	65,202	65,202	65,202	114,789	(766,803)			
Other Cash Flows/Payments by Type																
Capital assets																
Repayment of borrowing																
Other Cash Flows/Payments																
Total Cash Payments by Type		65,202	65,202	65,202	65,202	65,202	65,202	65,202	65,202	65,202	65,202	114,789	(766,803)			
NET INCREASE/(DECREASE) IN CASH HELD		93,516	(21,414)	(21,414)	(21,414)	93,516	(21,414)	(21,414)	(21,414)	93,516	(21,414)	(27,213)	(103,441)			
Cash/cash equivalents at the month/year begin:		-	93,516	72,103	50,689	29,275	122,792	101,378	79,964	58,551	152,067	130,653	103,441			
Cash/cash equivalents at the month/year end:		93,516	72,103	50,689	29,275	122,792	101,378	79,964	58,551	152,067	130,653	103,441	(0)			
Reconciling																

1. Note that this section of Table SA 30 is deliberately not linked to Table A4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure. However for the MTRREF it is now directly linked to A7.

KZN238 KZN238 - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand

References

1. Total agreement period from commencement until end

2. Annual value

KZN238 KZN238 - Supporting Table SA33 Contracts having future budgetary implications

Ref	Description	Preceding Years	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework			Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Total Contract Value
				Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20								
1,3	R thousand	Total	Original Budget				Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
2	Parent Municipality:													
	Revenue Obligation By Contract													
	Contract 1													
	Contract 2													
	Contract 3 etc													
2	Total Operating Revenue Implication													
	Expenditure Obligation By Contract													
	Contract 1													
	Contract 2													
	Contract 3 etc													
2	Total Operating Expenditure Implication													
	Capital Expenditure Obligation By Contract													
	Contract 1													
	Contract 2													
	Contract 3 etc													
2	Total Capital Expenditure Implication													
	Total Parent Expenditure Implication													
2	Entities:													
	Revenue Obligation By Contract													
	Contract 1													
	Contract 2													
	Contract 3 etc													
2	Total Operating Revenue Implication													
	Expenditure Obligation By Contract													
	Contract 1													
	Contract 2													
	Contract 3 etc													
2	Total Operating Expenditure Implication													
	Capital Expenditure Obligation By Contract													
	Contract 1													
	Contract 2													
	Contract 3 etc													
2	Total Capital Expenditure Implication													
	Total Entity Expenditure Implication													

References

1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column
2. List all contracts with future financial obligations beyond the three years covered by the MTRF (MFMA s33)
3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million

KZN238 KZN238 - Supporting Table SA34a Capital expenditure on new assets by asset class

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure			-	-	-	120,000	145,289	-	-	-	-
Infrastructure - Road transport			-	-	-	95,116	117,581	-	-	-	-
Roads, Pavements & Bridges			-	-	-	95,116	117,581	-	-	-	-
Storm water			-	-	-	-	-	-	-	-	-
Infrastructure - Electricity			-	-	-	24,884	27,688	-	-	-	-
Generation			-	-	-	-	-	-	-	-	-
Transmission & Reticulation			-	-	-	15,000	15,000	-	-	-	-
Street Lighting			-	-	-	9,884	12,688	-	-	-	-
Infrastructure - Water			-	-	-	-	-	-	-	-	-
Dams & Reservoirs			-	-	-	-	-	-	-	-	-
Water purification			-	-	-	-	-	-	-	-	-
Reticulation			-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation			-	-	-	-	-	-	-	-	-
Reticulation			-	-	-	-	-	-	-	-	-
Sewerage purification			-	-	-	-	-	-	-	-	-
Infrastructure - Other			-	-	-	-	-	-	-	-	-
Waste Management			-	-	-	-	-	-	-	-	-
Transportation		2	-	-	-	-	-	-	-	-	-
Gas			-	-	-	-	-	-	-	-	-
Other		3	-	-	-	-	-	-	-	-	-
Community			-	-	-	25,248	25,524	-	-	-	-
Parks & gardens			-	-	-	1,200	1,200	-	-	-	-
Sportsfields & stadia			-	-	-	3,000	9,085	-	-	-	-
Swimming pools			-	-	-	-	-	-	-	-	-
Community halls			-	-	-	14,248	12,436	-	-	-	-
Libraries			-	-	-	-	-	-	-	-	-
Recreational facilities			-	-	-	2,800	2,800	-	-	-	-
Fire, safety & emergency			-	-	-	-	-	-	-	-	-
Security and policing			-	-	-	-	-	-	-	-	-
Buses		7	-	-	-	-	-	-	-	-	-
Clinics			-	-	-	-	-	-	-	-	-
Museums & Art Galleries			-	-	-	-	-	-	-	-	-
Cemeteries			-	-	-	-	-	-	-	-	-
Social rental housing		8	-	-	-	-	-	-	-	-	-
Other			-	-	-	4,000	-	-	-	-	-
Heritage assets			-	-	-	-	-	-	-	-	-
Buildings			-	-	-	-	-	-	-	-	-
Other		9	-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Housing development			-	-	-	-	-	-	-	-	-
Other			-	-	-	-	-	-	-	-	-
Other assets			-	-	-	5,000	18,024	-	-	-	-
General vehicles			-	-	-	-	-	-	-	-	-
Specialised vehicles			-	-	-	-	-	-	-	-	-
Plant & equipment			-	-	-	5,000	5,000	-	-	-	-
Computers - hardware/equipment			-	-	-	-	5,024	-	-	-	-
Furniture and other office equipment			-	-	-	-	-	-	-	-	-
Abattoirs			-	-	-	-	-	-	-	-	-
Markets			-	-	-	-	-	-	-	-	-
Civic Land and Buildings			-	-	-	-	-	-	-	-	-
Other Buildings			-	-	-	-	1,000	-	-	-	-
Other Land			-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)			-	-	-	-	-	-	-	-	-
Other			-	-	-	-	4,000	-	-	-	-
Agricultural assets			-	-	-	-	-	-	-	-	-
List sub-class			-	-	-	-	-	-	-	-	-
Biological assets			-	-	-	-	-	-	-	-	-
List sub-class			-	-	-	-	-	-	-	-	-
Intangibles			-	-	-	-	-	-	-	-	-
Computers - software & programming			-	-	-	-	-	-	-	-	-
Other (list sub-class)			-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets		1	-	-	-	150,248	188,817	-	-	-	-
Specialised vehicles											
Refuse			-	-	-	-	-	-	-	-	-
Fire			-	-	-	-	-	-	-	-	-
Conservancy			-	-	-	-	-	-	-	-	-
Ambulances			-	-	-	-	-	-	-	-	-

References

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital expenditure in Budgeted Capital Expenditure
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Buses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

KZN238 KZN238 - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	60,000	60,000	-	-	-	-
Infrastructure - Road transport		-	-	-	58,000	58,000	-	-	-	-
Roads, Pavements & Bridges		-	-	-	58,000	58,000	-	-	-	-
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	2,000	2,000	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	-	-	2,000	2,000	-	-	-	-
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management		-	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (first sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	-	-	-	60,000	60,000	-	-	-	-

Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	28.5%	24.1%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	73.6%	78.8%	0.0%	0.0%	0.0%	0.0%

References

1. Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on new assets (SA34a) must reconcile to total capital expenditure in Budgeted Capital Expenditure
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Buses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

	check balance				1,000	1,000				
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KZN238 KZN238 - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure											
			-	-	-	44,723	39,096	-	-	-	-
	Infrastructure - Road transport		-	-	-	33,038	25,107	-	-	-	-
	Roads, Pavements & Bridges		-	-	-	20,590	18,675	-	-	-	-
	Storm water		-	-	-	6,448	6,432	-	-	-	-
	Infrastructure - Electricity		-	-	-	5,109	13,241	-	-	-	-
	Generation		-	-	-	2,806	11,080	-	-	-	-
	Transmission & Reticulation		-	-	-	-	-	-	-	-	-
	Street Lighting		-	-	-	2,303	2,161	-	-	-	-
	Infrastructure - Water		-	-	-	-	-	-	-	-	-
	Dams & Reservoirs		-	-	-	-	-	-	-	-	-
	Water purification		-	-	-	-	-	-	-	-	-
	Reticulation		-	-	-	-	-	-	-	-	-
	Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
	Reticulation		-	-	-	-	-	-	-	-	-
	Sewerage purification		-	-	-	-	-	-	-	-	-
	Infrastructure - Other		-	-	-	6,576	748	-	-	-	-
	Waste Management		-	-	-	748	748	-	-	-	-
	Transportation	2	-	-	-	-	-	-	-	-	-
	Gas		-	-	-	-	-	-	-	-	-
	Other	3	-	-	-	5,828	-	-	-	-	-
Community											
			-	-	-	401	8,625	-	-	-	-
	Parks & gardens		-	-	-	30	4,001	-	-	-	-
	Sportsfields & stadia		-	-	-	-	443	-	-	-	-
	Swimming pools		-	-	-	-	-	-	-	-	-
	Community halls		-	-	-	-	45	-	-	-	-
	Libraries		-	-	-	-	-	-	-	-	-
	Recreational facilities		-	-	-	-	155	-	-	-	-
	Fire, safety & emergency		-	-	-	331	1,328	-	-	-	-
	Security and policing		-	-	-	-	50	-	-	-	-
	Buses	7	-	-	-	-	-	-	-	-	-
	Clinics		-	-	-	-	-	-	-	-	-
	Museums & Art Galleries		-	-	-	-	10	-	-	-	-
	Cemeteries		-	-	-	40	-	-	-	-	-
	Social rental housing	8	-	-	-	-	-	-	-	-	-
	Other		-	-	-	-	2,583	-	-	-	-
Heritage assets											
			-	-	-	643	689	-	-	-	-
	Buildings		-	-	-	643	689	-	-	-	-
	Other	9	-	-	-	-	-	-	-	-	-
Investment properties											
			-	-	-	-	-	-	-	-	-
	Housing development		-	-	-	-	-	-	-	-	-
	Other		-	-	-	-	-	-	-	-	-
Other assets											
			-	-	-	5,228	1,910	-	-	-	-
	General vehicles		-	-	-	120	3	-	-	-	-
	Specialised vehicles		-	-	-	-	-	-	-	-	-
	Plant & equipment		-	-	-	194	367	-	-	-	-
	Computers - hardware/equipment		-	-	-	100	195	-	-	-	-
	Furniture and other office equipment		-	-	-	95	173	-	-	-	-
	Abattoirs		-	-	-	-	-	-	-	-	-
	Markets		-	-	-	-	-	-	-	-	-
	Civic Land and Buildings		-	-	-	-	1,116	-	-	-	-
	Other Buildings		-	-	-	136	-	-	-	-	-
	Other Land		-	-	-	-	-	-	-	-	-
	Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
	Other		-	-	-	5,582	35	-	-	-	-
Agricultural assets											
	List sub-class		-	-	-	-	-	-	-	-	-
Biological assets											
	List sub-class		-	-	-	-	-	-	-	-	-

Intangibles		-	-	-	-	1,332	-	-	-	-
Computers - software & programming		-	-	-	-	1,332	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	-	-	-	-	51,996	51,652	-	-	-

Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
R&M as a % of PPE		0.0%	0.0%	0.0%	5.5%	4.8%	0.0%	0.0%	0.0%	0.0%
R&M as % Operating Expenditure		0.0%	0.0%	0.0%	7.1%	6.7%	0.0%	0.0%	0.0%	0.0%

References

1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI Infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes "land and buildings required" by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Buses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

check balance	-	-	-	-	51,996	51,652	-	-	-	-
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Computers - software & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Depreciation	1	-	-	-	79,534	76,136	50,624	-	-	-

Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

Check	-	-	-	(1,843)	(1,843)	(27,455)	-	-	-
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KZN238 KZN238 - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive and Council		-	-	-				
Vote 2 - Corporate Services		-	-	-				
Vote 3 - Finance		-	-	-				
Vote 4 - Public Works and Services		-	-	-				
Vote 5 - Community Services		-	-	-				
Vote 6 - Electrical Services		-	-	-				
Vote 7 - Development, Planning and Human Settlements		-	-	-				
Vote 8 - Null		-	-	-				
Vote 9 - Null		-	-	-				
Vote 10 - Null		-	-	-				
Vote 11 - Null		-	-	-				
Vote 12 - Null		-	-	-				
Vote 13 - Null		-	-	-				
Vote 14 - Null		-	-	-				
Vote 15 - Null		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		-	-	-	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Executive and Council								
Vote 2 - Corporate Services								
Vote 3 - Finance								
Vote 4 - Public Works and Services								
Vote 5 - Community Services								
Vote 6 - Electrical Services								
Vote 7 - Development, Planning and Human Settlements								
Vote 8 - Null								
Vote 9 - Null								
Vote 10 - Null								
Vote 11 - Null								
Vote 12 - Null								
Vote 13 - Null								
Vote 14 - Null								
Vote 15 - Null								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		-	-	-	-	-	-	-

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

KZN238 KZN238 - Supporting Table SA37 Projects delayed from previous financial years

Municipal Vote/Capital project	Ref.	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete Year	2017/18 Medium Term Revenue & Expenditure Framework			
								Original Budget	Full Year Forecast	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand Parent municipality: List all capital projects grouped by Municipal Vote	1,2			Examples	Examples						
Entities: List all capital projects grouped by Municipal Entity											
Entity Name Project name											

References

1. List all projects with planned completion dates in current year that have been re-budgeted in the MTREF
2. Refer MFMA s30
3. As per Table SA34
4. Correct to seconds. Provide a logical starting point on networked infrastructure.

KZN238 Alfred Duma - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	-	-	-	150,748	157,100	170,548	152,922	166,864	176,875	187,488
Service charges	-	-	-	317,534	320,462	292,562	266,272	325,409	329,683	334,064
Investment revenue	-	-	-	14,210	15,074	8,943	11,145	15,076	15,966	16,892
Transfers recognised - operational	-	-	-	208,460	207,894	185,573	190,064	211,960	221,696	231,920
Other own revenue	-	-	-	31,257	27,845	23,925	23,501	32,454	33,093	35,296
Total Revenue (excluding capital transfers and contributions)	-	-	-	722,209	728,376	681,551	643,904	751,762	777,312	805,660
Employee costs	-	-	-	213,676	210,664	195,245	176,314	274,252	290,480	307,654
Remuneration of councillors	-	-	-	23,598	22,628	18,741	18,249	24,739	26,223	27,797
Depreciation & asset impairment	-	-	-	81,477	78,080	50,624	37,988	71,474	75,763	80,309
Finance charges	-	-	-	591	591	434	470	2,084	2,138	2,195
Materials and bulk purchases	-	-	-	199,037	203,126	161,413	162,986	204,142	205,163	206,188
Transfers and grants	-	-	-	1,951	5,602	656	896	11,107	6,661	6,778
Other expenditure	-	-	-	212,803	241,043	115,986	117,948	186,821	192,482	203,281
Total Expenditure	-	-	-	733,133	761,735	643,100	514,841	774,619	798,909	834,201
Surplus/(Deficit)	-	-	-	(10,924)	(33,359)	138,451	129,064	(22,857)	(21,597)	(28,541)
Transfers and subsidies - capital (monetary allocations)	-	-	-	120,353	125,396	-	877	77,749	74,329	77,107
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	109,429	92,037	138,451	129,941	54,892	52,732	48,566
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	109,429	92,037	138,451	129,941	54,892	52,732	48,566
Capital expenditure & funds sources										
Capital expenditure	-	-	-	88,895	101,663	750,200	35,686	89,638	194,518	156,558
Transfers recognised - capital	-	-	-	-	-	-	-	77,749	157,016	127,107
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	14,500	2,000
Internally generated funds	-	-	-	-	-	-	-	11,889	23,002	27,451
Total sources of capital funds	-	-	-	-	-	-	-	89,638	194,518	156,558
Financial position										
Total current assets	-	-	-	-	7,225	32,426,622	379,153	334,433	709,932	734,219
Total non current assets	-	-	-	178,517	243,340	2,555,169	1,268,992	1,676,432	106,831	63,609
Total current liabilities	-	-	-	(31,731)	(1,000)	31,074,141	2,655,593	132,974	61,356	63,201
Total non current liabilities	-	-	-	-	-	251,206	20,888	22,303	23,064	23,859
Community wealth/Equity	-	-	-	109,429	92,037	13,761,665	1,374,450	1,855,588	52,732	48,566
Cash flows										
Net cash from (used) operating	-	-	-	159,176	161,891	2,273,898	286,063	91,236	139,873	142,782
Net cash from (used) Investing	-	-	-	(178,517)	(235,317)	(1,237,383)	(292,736)	(89,638)	(194,518)	(156,558)
Net cash from (used) financing	-	-	-	-	-	212,907	18,127	(1,051)	(391)	(362)
Cash/cash equivalents at the year end	-	-	-	221,740	167,656	1,249,421	11,454	223,792	168,755	154,617
Cash backing/surplus reconciliation										
Cash and investments available	-	-	-	-	-	3,399,004	(2,161,046)	251,289	541,747	555,907
Application of cash and investments	-	-	-	(31,731)	(8,083)	2,075,900	142,645	242,576	129,270	135,052
Balance - surplus (shortfall)	-	-	-	31,731	8,083	1,323,104	(2,303,691)	8,713	412,477	420,855
Asset management										
Asset register summary (WDV)	-	-	-	-	-	1,321,209	1,390,535	1,390,535	1,473,967	1,562,405
Depreciation	-	-	-	-	-	-	68,994	68,994	73,133	77,521
Renewal of Existing Assets	-	-	-	-	-	-	-	395,000	60,000	-
Repairs and Maintenance	-	-	-	-	-	-	68,445	68,445	72,552	75,612
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	11,815	11,815	12,524	13,276
Revenue cost of free services provided	-	-	-	23,231	15,736	5,910	50,286	50,286	8,981	9,520
Households below minimum service level										
Water:	-	-	-	-	-	-	7	7	7	7
Sanitation/sewerage:	-	-	-	-	-	-	5	5	5	5
Energy:	-	-	-	-	-	-	233	233	233	233
Refuse:	-	-	-	-	-	-	33	33	33	33

KZN238 Alfred Duma - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Revenue - Functional										
Governance and administration		-	-	-	326,937	333,971	326,385	365,994	383,020	404,692
Executive and council		-	-	-	320,286	327,843	325,381	323,786	339,387	357,960
Finance and administration		-	-	-	6,651	6,127	1,004	46,456	48,136	51,506
Internal audit		-	-	-	-	-	-	(4,249)	(4,504)	(4,774)
Community and public safety		-	-	-	56,677	57,238	50,553	7,186	7,166	7,081
Community and social services		-	-	-	6,524	6,214	1,908	4,816	4,892	4,911
Sport and recreation		-	-	-	-	-	-	(1,237)	(1,312)	(1,392)
Public safety		-	-	-	48,050	48,580	48,086	(142)	(150)	(160)
Housing		-	-	-	2,102	2,444	559	3,748	3,736	3,722
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	134,171	136,141	17,132	73,513	77,520	81,732
Planning and development		-	-	-	115,949	118,916	2,119	58,770	61,910	65,222
Road transport		-	-	-	18,223	17,225	15,013	14,743	15,610	16,510
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	336,880	337,363	292,922	400,150	402,309	408,739
Energy sources		-	-	-	336,860	337,363	292,922	338,899	336,565	339,572
Water management		-	-	-	-	-	-	(954)	(1,011)	(1,072)
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	62,206	66,755	70,239
Other	4	-	-	-	196	196	(16)	(636)	(676)	(718)
Total Revenue - Functional	2	-	-	-	854,841	864,908	686,977	846,207	869,339	901,526
Expenditure - Functional										
Governance and administration		-	-	-	231,705	230,905	137,953	275,338	284,615	301,958
Executive and council		-	-	-	155,859	156,217	87,813	165,171	170,223	180,417
Finance and administration		-	-	-	75,846	74,688	50,140	106,191	110,177	117,072
Internal audit		-	-	-	-	-	-	3,975	4,215	4,469
Community and public safety		-	-	-	109,822	112,771	79,503	74,820	78,860	83,103
Community and social services		-	-	-	47,568	48,223	37,060	30,207	31,978	33,825
Sport and recreation		-	-	-	-	-	-	32,553	34,336	36,216
Public safety		-	-	-	49,926	56,791	37,191	5,433	5,759	6,104
Housing		-	-	-	12,328	7,758	5,252	6,628	6,788	6,957
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	134,573	144,245	101,300	132,715	137,299	145,174
Planning and development		-	-	-	108,860	119,500	80,404	103,703	106,663	110,857
Road transport		-	-	-	25,713	24,745	20,897	29,012	30,636	34,317
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	263,771	279,625	225,612	304,472	311,626	318,269
Energy sources		-	-	-	257,745	273,778	216,980	268,066	273,035	277,363
Water management		-	-	-	3,242	2,244	5,691	1,339	1,419	1,505
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	2,784	3,603	2,941	35,067	37,171	39,402
Other	4	-	-	-	5,541	5,325	4,157	3,970	4,206	4,457
Total Expenditure - Functional	3	-	-	-	745,412	772,871	548,525	791,315	816,607	852,961
Surplus/(Deficit) for the year		-	-	-	109,429	92,037	138,451	54,892	52,732	48,565

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
2. Total Revenue by functional classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)
3. Total Expenditure by Functional Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)
4. All amounts must be classified under a functional classification. The GFS function 'Other' is only for Abbatoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification.

KZN238 Alfred Duma - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional											
Municipal governance and administration											
	Executive and council		-	-	-	328,837	333,871	328,385	385,994	385,020	404,892
	Mayor and Council		-	-	-	320,288	327,843	325,381	323,786	338,387	357,660
	Municipal Manager, Town Secretary and Chief Executive		-	-	-	320,288	327,843	325,381	312,224	328,297	346,208
	Finance and administration		-	-	-	-	-	-	11,563	11,090	11,755
	Administrative and Corporate Support		-	-	-	6,651	6,127	1,004	48,456	48,138	51,506
	Asset Management		-	-	-	54	278	106	8,019	8,783	14,057
	Budget and Treasury Office		-	-	-	-	-	-	1,501	1,580	1,888
	Finance		-	-	-	6,165	4,513	872	21,411	22,368	18,948
	Fleet Management		-	-	-	-	-	-	(103)	(108)	(115)
	Human Resources		-	-	-	409	1,109	-	7,933	8,408	8,912
	Information Technology		-	-	-	-	-	-	4,400	4,863	4,843
	Legal Services		-	-	-	-	200	-	729	(287)	196
	Marketing, Customer Relations, Publicity and Media Co-		-	-	-	-	-	-	-	-	-
	Property Services		-	-	-	-	-	-	158	184	172
	Risk Management		-	-	-	-	-	-	-	-	-
	Security Services		-	-	-	-	-	-	-	-	-
	Supply Chain Management		-	-	-	-	-	-	2,801	2,970	3,148
	Valuation Service		-	-	-	23	30	28	(391)	(414)	(439)
	Internal audit		-	-	-	-	-	-	(4,249)	(4,504)	(4,774)
	Governance Function		-	-	-	-	-	-	(4,249)	(4,504)	(4,774)
Community and public safety											
	Community and social services		-	-	-	56,877	57,238	50,553	7,188	7,166	7,081
	Aged Care		-	-	-	6,524	6,214	1,908	4,816	4,852	4,911
	Agricultural		-	-	-	-	-	-	-	-	-
	Animal Care and Diseases		-	-	-	-	-	-	-	-	-
	Cemeteries, Funeral Parlours and Crematoriums		-	-	-	-	-	-	-	-	-
	Child Care Facilities		-	-	-	-	-	-	-	-	-
	Community Halls and Facilities		-	-	-	1,557	1,297	1,777	(101)	(107)	(115)
	Consumer Protection		-	-	-	-	-	-	-	-	-
	Cultural Matters		-	-	-	-	-	-	-	-	-
	Disaster Management		-	-	-	-	-	-	-	-	-
	Education		-	-	-	-	-	-	(84)	(280)	(479)
	Indigenous and Customary Law		-	-	-	-	-	-	-	-	-
	Industrial Promotion		-	-	-	-	-	-	-	-	-
	Language Policy		-	-	-	-	-	-	-	-	-
	Libraries and Archives		-	-	-	4,987	4,917	131	5,001	5,260	5,504
	Literacy Programmes		-	-	-	-	-	-	-	-	-
	Media Services		-	-	-	-	-	-	-	-	-
	Museums and Art Galleries		-	-	-	-	-	-	-	-	-
	Population Development		-	-	-	-	-	-	-	-	-
	Provincial Cultural Matters		-	-	-	-	-	-	-	-	-
	Theatres		-	-	-	-	-				

Soil Conservation	-	-	-	-	-	-	-	-	-
Trading services	-	-	-	-	-	-	-	-	-
Energy sources	-	-	-	336,860	337,363	292,922	400,150	402,309	408,739
Electricity	-	-	-	336,860	337,363	292,922	338,899	336,585	339,572
Street Lighting and Signal Systems	-	-	-	336,860	337,363	292,922	338,899	336,585	339,572
Nonelectric Energy	-	-	-	-	-	-	-	-	-
Water management	-	-	-	-	-	-	(954)	(1,011)	(1,072)
Water Treatment	-	-	-	-	-	-	-	-	-
Water Distribution	-	-	-	-	-	-	(954)	(1,011)	(1,072)
Water Storage	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-
Public Toilets	-	-	-	-	-	-	-	-	-
Sewerage	-	-	-	-	-	-	-	-	-
Storm Water Management	-	-	-	-	-	-	-	-	-
Waste Water Treatment	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	62,206	66,755	70,239
Recycling	-	-	-	-	-	-	-	-	-
Solid Waste Disposal (Landfill Sites)	-	-	-	-	-	-	(209)	(222)	(235)
Solid Waste Removal	-	-	-	-	-	-	62,413	66,977	70,474
Street Cleaning	-	-	-	-	-	-	-	-	-
Other	-	-	-	196	196	(16)	(636)	(676)	(718)
Abattoirs	-	-	-	-	-	-	-	-	-
Air Transport	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-
Licensing and Regulation	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	196	196	(16)	(636)	(676)	(718)
Total Revenue - Functional	2	-	-	654,841	664,908	686,977	646,207	669,338	691,526

Expenditure - Functional

Municipal governance and administration	-	-	-	231,705	230,905	137,953	275,338	284,615	301,958
Executive and council	-	-	-	155,859	156,217	87,813	165,171	170,223	180,417
Mayor and Council	-	-	-	144,202	151,765	90,809	144,079	147,865	156,718
Municipal Manager, Town Secretary and Chief Executive	-	-	-	11,657	4,452	(3,086)	21,092	22,358	23,699
Finance and administration	-	-	-	75,846	74,888	50,140	106,161	110,177	117,072
Administrative and Corporate Support	-	-	-	23,075	17,654	13,279	14,409	15,273	16,190
Asset Management	-	-	-	5,816	6,880	6,227	6,364	6,746	7,151
Budget and Treasury Office	-	-	-	565	831	703	-	-	-
Finance	-	-	-	24,185	20,427	13,858	33,715	35,521	37,437
Fleet Management	-	-	-	2,334	2,598	2,246	2,904	3,079	3,263
Human Resources	-	-	-	7,964	9,084	6,201	15,710	15,542	16,475
Information Technology	-	-	-	681	965	(548)	5,426	5,754	6,099
Legal Services	-	-	-	6,088	5,581	4,287	6,864	6,206	7,078
Marketing, Customer Relations, Publicity and Media Co-	-	-	-	-	-	-	-	-	-
Property Services	-	-	-	-	-	-	4,892	5,186	5,497
Risk Management	-	-	-	-	-	-	-	-	-
Security Services	-	-	-	-	-	-	7,908	8,360	8,883
Supply Chain Management	-	-	-	1,939	1,726	1,471	5,141	5,450	5,777
Valuation Service	-	-	-	3,398	2,873	2,407	2,899	3,041	3,223
Internal audit	-	-	-	-	-	-	3,975	4,215	4,469
Governance Function	-	-	-	-	-	-	3,975	4,215	4,469
Community and public safety	-	-	-	109,422	112,771	79,503	74,820	78,880	83,103
Community and social services	-	-	-	47,568	48,223	37,966	30,267	31,976	33,825
Aged Care	-	-	-	-	-	-	-	-	-
Agricultural	-	-	-	-	-	-	-	-	-
Animal Care and Diseases	-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums	-	-	-	-	-	-	-	-	-
Child Care Facilities	-	-	-	-	-	-	-	-	-
Community Halls and Facilities	-	-	-	35,209	36,370	27,221	13,361	14,163	15,012
Consumer Protection	-	-	-	-	-	-	-	-	-
Cultural Matters	-	-	-	-	-	-	-	-	-
Disaster Management	-	-	-	665	1,391	1,208	4,708	4,991	5,290
Education	-	-	-	-	-	-	-	-	-
Indigenous and Customary Law	-	-	-	-	-	-	-	-	-
Industrial Promotion	-	-	-	-	-	-	-	-	-
Language Policy	-	-	-	-	-	-	-	-	-
Libraries and Archives	-	-	-	11,693	10,462	8,931	12,138	12,924	13,523
Literacy Programmes	-	-	-	-	-	-	-	-	-
Media Services	-	-	-	-	-	-	-	-	-
Museums and Art Galleries	-	-	-	-	-	-	-	-	-
Population Development	-	-	-	-	-	-	-	-	-
Provincial Cultural Matters	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Zoo's	-	-	-	-	-	-	-	-	-
Sport and recreation	-	-	-	-	-	-	32,553	34,336	36,216
Beaches and Jetties	-	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering	-	-	-	-	-	-	-	-	-
Recreational Facilities	-	-	-	-	-	-	32,553	34,336	36,216
Sports Grounds and Stadiums	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	49,926	56,781	37,191	5,433	5,758	6,104
Civil Defence	-	-	-	-	-	-	-	-	-
Cleansing	-	-	-	36,205	37,380	21,300	-	-	-
Fencing and Fences	-	-	-	-	-	-	-	-	-
Fire Fighting and Protection	-	-	-	13,721	19,411	15,891	5,433	5,759	6,104
Licensing and Control of Animals	-	-	-	-	-	-	-	-	-
Housing	-	-	-	12,328	7,758	5,252	6,628	6,788	6,957
Housing	-	-	-	12,328	7,758	5,252	6,628	6,788	6,957
Informal Settlements	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Ambulance	-	-	-	-	-	-	-	-	-
Health Services	-	-	-	-	-	-	-	-	-
Laboratory Services	-	-	-	-	-	-	-	-	-
Food Control	-	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases	-	-	-	-	-	-	-	-	-
Vector Control	-	-	-	-	-	-	-	-	-
Chemical Safety	-	-	-	-	-	-	-	-	-
Economic and environmental services	-	-	-	134,573	144,245	101,300	132,719	137,299	145,174
Planning and development	-	-	-	108,860	119,500	86,404	103,703	106,683	110,657
Billboards	-	-	-	-	-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LEDs)	-	-	-	14,174	15,941	10,418	18,681	15,502	15,372
Central City Improvement District	-	-	-	-	-	-	-	-	-
Development Facilitation	-	-	-	-	-	-	-	-	-
Economic Development/Planning	-	-	-	-	-	-	-	-	-
Regional Planning and Development	-	-	-	-	-	-	-	-	-
Town Planning, Building Regulations and Enforcement, and City	-	-	-	84,087	98,548	66,644	83,681	89,738	93,979
Project Management Unit	-	-	-	10,588	4,013	3,342	1,342	1,422	1,507
Provincial Planning	-	-	-	-	-	-	-	-	-
Support to Local Municipalities	-	-	-	-	-	-	-	-	-
Road transport	-	-	-	25,713	24,745	20,897	29,012	30,636	34,317
Police Forces, Traffic and Street Parking Control	-	-	-	-	-	-	20,311	21,529	22,821
Pounds	-	-	-	-	-	-	-	-	-
Public Transport	-	-	-	-	-	-	5,696	5,921	6,119
Roads	-	-	-	-	-	-	-	-	-
Taxi Ranks	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	25,713	24,745	20,897	3,005	3,186	3,377
Environmental protection	-	-	-	-	-	-	-	-	-
Biodiversity and Landscape	-	-	-	-	-	-	-	-	-
Coastal Protection	-	-	-	-	-	-	-	-	-
Indigenous Forests	-	-	-	-	-	-	-	-	-
Nature Conservation	-	-	-	-	-	-	-	-	-
Pollution Control	-	-	-	-	-	-	-	-	-
Soil Conservation	-	-	-	-	-	-	-	-	-
Trading services	-	-	-	263,771	279,625	225,612	304,472	311,826	318,269
Energy sources	-	-	-	257,745	273,778	216,880	268,066	273,035	277,363
Electricity	-	-	-	257,745	273,778	216,880	268,066	273,035	277,363
Street Lighting and Signal Systems	-	-	-	-	-	-	-	-	-
Nonelectric Energy	-	-	-	-	-	-	-	-	-
Water management	-	-	-	3,242	2,244	5,691	1,339	1,419	1,905

Water Treatment	-	-	-	-	-	-	-	-	-
Water Distribution	-	-	-	-	-	-	-	-	-
Water Storage	-	-	-	3,242	2,244	5,691	1,339	1,419	1,505
Waste water management	-	-	-	-	-	-	-	-	-
Public Toilets	-	-	-	-	-	-	-	-	-
Sewerage	-	-	-	-	-	-	-	-	-
Storm Water Management	-	-	-	-	-	-	-	-	-
Waste Water Treatment	-	-	-	-	-	-	-	-	-
Waste management	-	-	-	-	-	-	-	-	-
Recycling	-	-	-	2,784	3,603	2,941	35,067	37,171	39,402
Solid Waste Disposal (Landfill Sites)	-	-	-	-	-	-	-	-	-
Solid Waste Removal	-	-	-	2,784	3,603	2,941	3,383	3,586	3,801
Street Cleaning	-	-	-	-	-	-	31,685	33,586	35,601
Other	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	5,541	5,325	4,157	3,970	4,206	4,457
Air Transport	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-
Licensing and Regulation	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	-	5,541	5,325	4,157	3,970	4,206	4,457
Surplus/(Deficit) for the year	-	-	-	745,412	772,871	548,525	791,315	816,507	852,961
References	-	-	-	109,429	92,037	138,451	54,892	52,732	48,565

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison

2. Total Revenue by Functional Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)

3. Total Expenditure by Functional Classification must reconcile to total operating expenditure shown in Financial Performance (revenue and expenditure)

4. All amounts must be classified under a Functional classification. The GFS function 'Other' is only for Abattoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

check oprev balance	-	-	-	12,278,361	11,136,061	5,425,405	16,695,546	17,697,280	18,759,118
check opexp balance	-	-	-	12,278,361	11,136,061	5,425,405	16,695,889	17,697,188	18,759,788

KZN238 Alfred Duma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		-	-	-	320,286	327,843	325,381	319,689	335,045	353,358
Vote 2 - Corporate Services		-	-	-	409	1,509	-	21,081	21,567	28,107
Vote 3 - Finance		-	-	-	6,175	4,543	876	25,323	26,514	23,342
Vote 4 - Public Works and Services		-	-	-	115,711	115,665	1,994	58,689	61,824	65,130
Vote 5 - Community Services		-	-	-	72,797	72,018	65,007	80,493	85,909	90,228
Vote 6 - Electrical Services		-	-	-	336,860	337,363	292,922	337,945	335,554	338,500
Vote 7 - Development, Planning and Human Settlements		-	-	-	2,590	5,968	774	2,988	2,927	2,861
Vote 8 - NULL		-	-	-	-	-	-	-	-	-
Vote 9 - Balance Sheet Account		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	854,829	864,908	686,954	846,207	869,339	901,526
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		-	-	-	155,859	156,217	87,813	166,255	171,373	181,637
Vote 2 - Corporate Services		-	-	-	19,430	21,385	14,294	42,401	42,775	45,842
Vote 3 - Finance		-	-	-	35,704	38,604	24,382	48,089	50,758	53,587
Vote 4 - Public Works and Services		-	-	-	97,470	107,162	72,927	98,745	105,591	112,623
Vote 5 - Community Services		-	-	-	138,702	141,399	103,749	134,003	141,831	150,090
Vote 6 - Electrical Services		-	-	-	260,987	276,022	222,671	269,405	274,455	278,867
Vote 7 - Development, Planning and Human Settlements		-	-	-	37,260	31,869	22,405	32,418	29,823	30,314
Vote 8 - NULL		-	-	-	-	-	-	-	-	-
Vote 9 - Balance Sheet Account		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	745,412	772,658	548,241	791,315	816,807	852,961
Surplus/(Deficit) for the year	2	-	-	-	109,416	92,251	138,713	54,892	52,732	48,565

References

1. Insert 'Vote'; e.g. department, if different to functional classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

KZN238 Alfred Duma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Vote 9 - Balance Sheet Account 9.1 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null 10.1 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null 11.1 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null 12.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 13 - Null 13.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 14 - Null 14.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 15 - Null 15.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	854,829	854,908	688,954	846,207	869,339	901,526

Vote Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Expenditure by Vote		1									
Vote 1 - Executive and Council						155,899	156,217	87,813	156,255	171,373	181,637
1.1 - MUNICIPAL MANAGER						11,657	4,452	(3,086)	12,889	13,662	14,482
1.2 - COUNCIL GENERAL						108,826	101,678	53,265	100,889	102,084	108,180
1.3 - MAYORAL OFFICE						22,478	35,870	26,322	33,202	35,194	37,306
1.4 - PUBLIC PARTICIPATION						8,619	8,484	6,647	9,988	10,587	11,222
1.5 - PERFORMANCE MANAGEMENT						2,239	3,616	2,929	5,312	5,631	5,969
1.6 - INTERNAL AUDIT						2,239	2,108	1,736	3,975	4,215	4,469
						-	-	-	-	-	-
						-	-	-	-	-	-
Vote 2 - Corporate Services						19,430	21,385	14,294	42,401	42,775	45,842
2.1 - ADMINISTRATION						4,697	5,768	4,345	14,408	15,273	16,190
2.2 - LEGAL SERVICES						6,088	5,591	4,297	8,854	8,206	7,078
2.3 - CORP SERVICES : IT (COMPUTER)						681	965	(549)	5,428	5,754	6,096
2.4 - CORP SERVICES : PERSONNEL						8,055	9,117	8,269	15,242	15,046	15,948
2.5 - EMPLOYEE ASSISTANCE PROGRAM						(91)	(54)	(58)	468	496	526
						-	-	-	-	-	-
						-	-	-	-	-	-
						-	-	-	-	-	-
Vote 3 - Finance						35,704	38,504	24,382	48,088	50,758	53,587
3.1 - FINANCE - EXPENDITURE SECTION						204	636	509	3,171	3,991	3,563
3.2 - FINANCE - FINAL ACCOUNT						524	1,895	282	3,597	3,802	4,930
3.3 - FINANCE - MFMA BUDGET OFFICE						585	831	703	1,610	1,707	1,808
3.4 - FINANCE - ASSET MANAGEMENT						5,816	6,860	6,227	6,384	6,745	7,151
3.4 - FINANCE - ASSET MANAGEMENT						19,457	19,901	10,771	14,069	14,718	15,385
3.6 - FINANCE - REVENUE SECTION						2,882	3,280	1,733	10,465	11,082	11,758
3.7 - SUPPLY CHAIN MANAGEMENT						1,848	1,667	1,478	5,019	5,320	5,640
3.8 - STORES						90	60	(7)	122	129	137
3.9 - FINANCE - INTERNAL CONTROL						1,119	715	573	793	841	891
3.10 - VALUATION SERVICES						3,398	2,780	2,123	2,899	3,041	3,223
Vote 4 - Public Works and Services						97,470	107,162	72,927	98,745	105,591	112,823
4.1 - PUBLIC WORKS						82,024	97,786	65,586	89,376	95,680	102,067
4.2 - BE HOUSE/BUILD CONTROL INFRAST						1,890	1,583	1,332	1,753	1,858	1,970
4.3 - PROJECT MANAGEMENT						4,385	1,352	1,132	1,342	1,422	1,507
4.4 - BE MANAGEMENT & LEADERSHIP						6,436	2,859	1,936	2,891	3,065	3,249
4.5 - LANDFILL SITE						2,784	3,603	2,941	3,393	3,586	3

KZN238 Alfred Duma - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2018/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Vote 9 - Balance Sheet Account 9.1 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null 10.1 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null 11.1 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null 12.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 13 - Null 13.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 14 - Null 14.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Vote 15 - Null 15.1 - [Name of sub-vote]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	-	-	745,412	772,658	548,241	791,315	816,807	852,981
Surplus/(Deficit) for the year	2	-	-	-	109,416	92,251	138,713	54,892	52,732	48,585

References

1. Insert 'Vote'; e.g. Department, if different to Functional structure
2. Must reconcile to Financial Performance ('Revenue and Expenditure by Functional Classification' and 'Revenue and Expenditure')
3. Assign share in 'associate' to relevant Vote

KZN238 Alfred Duma - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Revenue By Source											
Property rates	2	-	-	-	150,748	157,100	170,548	152,922	166,864	176,875	187,488
Service charges - electricity revenue	2	-	-	-	304,474	301,525	270,826	246,111	305,707	308,799	311,927
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	-	-	-	12,594	18,539	21,397	19,829	19,702	20,884	22,137
Service charges - other		-	-	-	465	398	340	332	-	-	-
Rental of facilities and equipment		-	-	-	532	581	495	477	2,784	2,948	3,119
Interest earned - external investments		-	-	-	14,210	15,074	8,943	11,145	15,076	16,966	16,892
Interest earned - outstanding debtors		-	-	-	2,440	2,737	2,558	2,555	2,737	2,898	3,066
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	10,619	10,620	9,554	9,467	16,230	16,970	17,738
Licences and permits		-	-	-	6,953	6,037	5,021	4,547	6,047	6,404	6,775
Agency services		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		-	-	-	208,460	207,894	185,573	190,054	211,960	221,696	231,920
Other revenue	2	-	-	-	10,713	7,871	6,297	6,455	4,656	3,872	4,597
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	-	722,209	728,376	681,551	643,904	751,762	777,312	806,660
Expenditure By Type											
Employee related costs	2	-	-	-	213,676	210,664	195,245	176,314	274,252	290,480	307,654
Remuneration of councillors		-	-	-	23,598	22,628	18,741	18,249	24,739	26,223	27,797
Debt impairment	3	-	-	-	24,610	35,497	-	-	37,662	39,922	42,317
Depreciation & asset impairment	2	-	-	-	81,477	78,080	50,624	37,968	71,474	75,763	80,309
Finance charges		-	-	-	591	591	434	470	2,084	2,138	2,195
Bulk purchases	2	-	-	-	199,037	203,126	161,413	162,996	204,142	205,163	206,188
Other materials	8	-	-	-	-	-	-	-	-	-	-
Contracted services		-	-	-	6,539	7,482	8,765	7,400	94,696	112,324	120,176
Transfers and subsidies		-	-	-	1,951	5,602	656	896	11,107	6,661	6,778
Other expenditure	4, 5	-	-	-	181,654	198,065	107,222	110,548	54,463	40,236	40,788
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Total Expenditure		-	-	-	733,133	761,735	543,100	514,841	774,819	798,909	834,201
Surplus/(Deficit)		-	-	-	(10,924)	(33,359)	138,451	129,064	(22,857)	(21,597)	(28,541)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	120,353	125,396	-	877	77,749	74,329	77,107
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	-	-	109,429	92,037	138,451	129,941	54,892	52,732	48,566
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		-	-	-	109,429	92,037	138,451	129,941	54,892	52,732	48,566
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		-	-	-	109,429	92,037	138,451	129,941	54,892	52,732	48,566
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		-	-	-	109,429	92,037	138,451	129,941	54,892	52,732	48,566

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method (Includes Joint Ventures)

KZN238 Alfred Duma - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Finance		-	-	-	-	-	-	-	-	-	-
Vote 4 - Public Works and Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Electrical Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Development, Planning and Human Settlements		-	-	-	-	-	-	-	-	-	-
Vote 8 - NULL		-	-	-	-	-	-	-	-	-	-
Vote 9 - Balance Sheet Account		-	-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	24,240	-	498	528	559
Vote 2 - Corporate Services		-	-	-	-	3,980	-	1,622	560	594	629
Vote 3 - Finance		-	-	-	-	-	-	-	328	346	366
Vote 4 - Public Works and Services		-	-	-	88,895	97,683	679,736	36,089	48,785	81,363	77,472
Vote 5 - Community Services		-	-	-	-	-	46,224	17	16,086	11,400	12,424
Vote 6 - Electrical Services		-	-	-	2,000	2,900	2,158	574	23,351	15,569	15,073
Vote 7 - Development, Planning and Human Settlements		-	-	-	4,000	4,353	98,030	4,355	31	104,720	50,035
Vote 8 - NULL		-	-	-	-	-	-	-	-	-	-
Vote 9 - Balance Sheet Account		-	-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	94,895	108,916	850,388	42,657	89,637	194,518	156,558
Total Capital Expenditure - Vote		-	-	-	94,895	108,916	850,388	42,657	89,637	194,518	156,558
Capital Expenditure - Functional											
Governance and administration		-	-	-	-	3,980	24,240	1,622	11,389	11,472	13,560
Executive and council		-	-	-	-	-	24,240	-	443	488	487
Finance and administration		-	-	-	-	3,980	-	1,622	10,891	10,944	13,001
Internal audit		-	-	-	-	-	-	-	55	58	62
Community and public safety		-	-	-	-	-	34,936	17	4,292	1,310	328
Community and social services		-	-	-	-	-	34,936	17	4,168	178	189
Sport and recreation		-	-	-	-	-	-	-	124	1,131	139
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	88,895	97,683	691,024	34,047	48,337	166,147	114,246
Planning and development		-	-	-	-	-	-	-	40,277	166,083	114,178
Road transport		-	-	-	88,895	97,683	691,024	34,047	6,060	64	67
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	-	27,520	15,590	28,424
Energy sources		-	-	-	-	-	-	-	23,351	15,569	15,073
Water management		-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	4,289	21	13,351
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	-	-	-	88,895	101,663	750,200	35,686	89,638	194,518	156,558
Funded by:											
National Government		-	-	-	-	-	-	-	77,749	74,329	77,107
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	68,887	30,000
Other transfers and grants		-	-	-	-	-	-	-	-	16,000	20,000
Transfers recognised - capital	4	-	-	-	-	-	-	-	77,749	157,016	127,107
Public contributions & donations	5	-	-	-	-	-	-	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	14,500	2,000
Internally generated funds		-	-	-	-	-	-	-	11,889	23,002	27,451
Total Capital Funding	7	-	-	-	-	-	-	-	89,638	194,518	156,558

References

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
- Capital expenditure by functional classification must reconcile to the appropriations by vote
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
- Must reconcile to Budgeted Financial Performance (revenue and expenditure)
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
- Total Capital Funding must balance with Total Capital Expenditure
- Include any capitalised interest (MFMA section 46) as part of relevant capital budget

[illegible]

[illegible]

Vote 14 - Null 14.1 - [Name of sub-vote]											
Vote 15 - Null 15.1 - [Name of sub-vote]											
Capital single-year expenditure sub-total											
Total Capital Expenditure					94,895	108,916	850,388	42,857	88,537	194,518	156,558
					94,895	108,916	850,388	42,857	88,537	194,518	156,558

KZN238 Alfred Duma - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcomes	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
ASSETS											
Current assets											
Cash		-	-	-	-	-	31,870,786	223,245	179,114	465,241	474,812
Call investment deposits	1	-	-	-	-	-	-	-	72,175	76,505	81,096
Consumer debtors	1	-	-	-	-	1,000	724,251	102,458	47,338	168,492	178,637
Other debtors		-	-	-	-	6,225	(339,685)	38,526	319	338	358
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-
Inventory	2	-	-	-	-	-	171,270	14,925	35,487	(645)	(683)
Total current assets		-	-	-	-	7,225	32,426,622	379,153	334,433	709,932	734,219
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		-	-	-	-	-	994,896	81,598	80,446	-	-
Investment in Associate		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	-	-	-	178,517	235,317	1,579,690	1,187,591	1,595,958	106,831	63,609
Agricultural		-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		-	-	-	-	8,024	(19,417)	(197)	28	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		-	-	-	178,517	243,340	2,555,169	1,266,992	1,676,432	106,831	63,609
TOTAL ASSETS		-	-	-	178,517	250,566	34,981,790	1,648,145	2,010,865	816,762	797,828
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	28,471,782	2,384,291	-	-	-
Borrowing	4	-	-	-	-	-	86	5	1,051	360	393
Consumer deposits		-	-	-	-	-	156,501	13,473	9,420	-	-
Trade and other payables	4	-	-	-	(31,731)	(1,000)	1,999,916	221,669	59,131	60,996	62,807
Provisions		-	-	-	-	-	445,876	36,155	63,372	-	-
Total current liabilities		-	-	-	(31,731)	(1,000)	31,074,141	2,855,593	132,974	61,356	63,201
Non current liabilities											
Borrowing		-	-	-	-	-	56,340	4,649	4,137	3,808	3,448
Provisions		-	-	-	-	-	194,866	16,239	18,166	19,256	20,411
Total non current liabilities		-	-	-	-	-	251,206	20,888	22,303	23,064	23,859
TOTAL LIABILITIES		-	-	-	(31,731)	(1,000)	31,325,347	2,876,481	155,277	84,420	87,060
NET ASSETS	5	-	-	-	210,248	251,566	3,656,443	(1,028,336)	1,855,588	732,343	710,768
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		-	-	-	109,429	92,037	13,300,434	1,334,479	1,855,588	52,732	48,566
Reserves	4	-	-	-	-	-	461,232	39,971	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	-	-	-	109,429	92,037	13,761,665	1,374,450	1,855,588	52,732	48,566

References

1. Detail to be provided in Table SA3
2. Include completed low cost housing to be transferred to beneficiaries within 12 months
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
5. Net assets must balance with Total Community Wealth/Equity

KZN238 Alfred Duma - Table A7 Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	150,748	149,875	(214,018)	11,938	138,453	176,875	187,488
Service charges		-	-	-	317,534	320,462	292,562	266,272	315,297	342,207	347,340
Other revenue		-	-	-	28,817	25,109	21,367	20,946	20,585	30,195	32,230
Government - operating	1	-	-	-	208,460	207,894	185,573	190,064	212,960	221,696	231,920
Government - capital	1	-	-	-	120,353	125,396	-	877	77,749	74,329	77,107
Interest		-	-	-	16,650	17,811	11,500	13,700	15,076	15,966	16,892
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		-	-	-	(680,843)	(678,462)	1,978,004	(216,368)	(675,702)	(712,596)	(741,222)
Finance charges		-	-	-	(591)	(591)	(434)	(470)	(2,056)	(2,138)	(2,195)
Transfers and Grants	1	-	-	-	(1,961)	(5,602)	(656)	(896)	(11,107)	(6,861)	(6,778)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	-	159,176	161,891	2,273,898	288,063	91,236	139,873	142,782
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	-	(178,517)	(235,317)	(1,237,383)	(292,736)	(89,638)	(194,518)	(156,558)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	(178,517)	(235,317)	(1,237,383)	(292,736)	(89,638)	(194,518)	(156,558)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	56,406	4,654	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	156,501	13,473	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	(1,051)	(391)	(362)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	212,907	18,127	(1,051)	(391)	(362)
NET INCREASE/ (DECREASE) IN CASH HELD		-	-	-	(19,341)	(73,425)	1,249,421	11,454	547	(55,037)	(14,138)
Cash/cash equivalents at the year begin:	2	-	-	-	241,081	241,081	-	-	223,245	223,792	168,755
Cash/cash equivalents at the year end:	2	-	-	-	221,740	167,656	1,249,421	11,454	223,792	168,755	154,617

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities
2. Cash equivalents includes investments with maturities of 3 months or less

KZN238 Alfred Duma - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	-	-	-	221,740	167,656	1,249,421	11,454	223,792	168,755	154,617
Other current investments > 90 days		-	-	-	(221,740)	(167,656)	2,149,583	(2,172,501)	27,497	372,991	401,290
Non current assets - investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	-	-	-	-	3,399,004	(2,161,046)	251,289	541,747	555,907
Application of cash and investments											
Unspent conditional transfers		-	-	-	(31,731)	(1,000)	1,066,076	163,080	21,672	22,972	24,351
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	-	-	-	(7,083)	1,009,824	(20,436)	(5,621)	(133,819)	(143,822)
Other provisions		-	-	-	-	-	-	-	20,035	21,237	22,511
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		-	-	-	(31,731)	(8,083)	2,075,900	142,645	206,480	218,879	232,012
Surplus(shortfall)		-	-	-	(31,731)	(8,083)	2,075,900	142,645	242,576	129,270	135,052
References		-	-	-	31,731	8,083	1,323,104	(2,303,691)	8,713	412,477	420,855

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

Description		Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE											
Total New Assets		1	-	-	-	-	-	-	83,804	132,516	98,451
Roads Infrastructure			-	-	-	-	-	-	42,749	5,000	12,000
Storm water Infrastructure			-	-	-	-	-	-	2,166	-	-
Electrical Infrastructure			-	-	-	-	-	-	21,000	13,500	9,000
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	13,328
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	-	-	-	65,915	18,500	34,328
Community Facilities			-	-	-	-	-	-	4,000	19,980	15,000
Sport and Recreation Facilities			-	-	-	-	-	-	2,000	8,000	-
Community Assets			-	-	-	-	-	-	6,000	27,980	15,000
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			-	-	-	-	-	-	-	74,034	35,000
Housing			-	-	-	-	-	-	-	74,034	35,000
Other Assets			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	1,889	2,002	2,122
Machinery and Equipment			-	-	-	-	-	-	10,000	10,000	12,000
Transport Assets			-	-	-	-	-	-	-	-	-
Libraries			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets		2	-	-	-	-	-	-	395,000	60,000	-
Roads Infrastructure			-	-	-	-	-	-	395,000	50,000	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			-	-	-	-	-	-	-	2,000	-
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	2,000	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	-	-	-	395,000	54,000	-
Community Facilities			-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities			-	-	-	-	-	-	-	6,000	-
Community Assets			-	-	-	-	-	-	-	6,000	-
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
Other Assets			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			-	-	-	-	-	-	-	-	-
Transport Assets			-	-	-	-	-	-	-	-	-
Libraries			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets		5	-	-	-	-	-	-	-	-	-
Roads Infrastructure			-	-	-	-	-	-	-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			-	-	-	-	-	-	-	-	-
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	-	-	-	-	-	-
Community Facilities			-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities			-	-	-	-	-	-	-	-	-
Community Assets			-	-	-	-	-	-	-	-	-
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-

Non-revenue Generating		-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-
Total Capital Expenditure	4	-	-	-	-	-	437,749	55,000	12,000
Roads Infrastructure		-	-	-	-	-	2,166	-	-
Storm water Infrastructure		-	-	-	-	-	21,000	15,500	9,000
Electrical Infrastructure		-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	2,000	13,328
Solid Waste Infrastructure		-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	460,915	72,500	34,328
Community Facilities		-	-	-	-	-	4,000	19,960	15,000
Sport and Recreation Facilities		-	-	-	-	-	2,000	14,000	-
Community Assets		-	-	-	-	-	6,000	33,960	15,000
Heritage Assets		-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	74,034	35,000
Operational Buildings		-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	74,034	35,000
Other Assets		-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	1,889	2,002	2,122
Furniture and Office Equipment		-	-	-	-	-	10,000	10,000	12,000
Machinery and Equipment		-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		-	-	-	-	-	478,804	192,516	98,451
ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	518,889	486,316	515,495	546,425
Storm water Infrastructure		-	-	-	-	85,860	126,137	133,706	141,728
Electrical Infrastructure		-	-	-	-	202,762	230,382	244,205	258,857
Water Supply Infrastructure		-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	30,891	35,283	37,400	39,644
Rail Infrastructure		-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	1,007,401	1,058,405	1,121,910	1,189,224
Community Facilities		-	-	-	-	104,475	111,475	118,163	125,253
Sport and Recreation Facilities		-	-	-	-	52,055	52,055	55,178	58,469
Community Assets		-	-	-	-	156,529	163,529	173,341	183,742
Heritage Assets		-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	97,010	97,010	102,830	109,000
Housing		-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	97,010	97,010	102,830	109,000
Biological or Cultivated Assets		-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	5,148	5,455	5,782	6,129
Furniture and Office Equipment		-	-	-	-	8,029	8,390	8,774	9,180
Machinery and Equipment		-	-	-	-	10,845	11,496	12,186	12,917
Transport Assets		-	-	-	-	37,940	47,940	50,816	53,865
Libraries		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	-	1,321,209	1,390,535	1,473,967	1,562,405
EXPENDITURE OTHER ITEMS	7	-	-	-	-	-	-	-	-
Depreciation	3	-	-	-	-	-	68,994	73,133	77,521
Repairs and Maintenance by Asset Class		-	-	-	-	-	68,445	72,552	75,612
Roads Infrastructure		-	-	-	-	-	15,866	16,818	17,827
Storm water Infrastructure		-	-	-	-	-	7,176	7,607	8,063

Electrical Infrastructure	-	-	-	-	-	-	9,629	9,837	9,134
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-	-	796	844	895
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	33,468	35,108	35,919
Community Facilities	-	-	-	-	-	-	215	228	242
Sport and Recreation Facilities	-	-	-	-	-	-	577	612	649
Community Assets	-	-	-	-	-	-	793	840	891
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	993	1,053	1,116
Housing	-	-	-	-	-	-	3,129	3,317	3,516
Other Assets	-	-	-	-	-	-	4,123	4,370	4,632
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	1,413	1,498	1,588
Intangible Assets	-	-	-	-	-	-	1,413	1,498	1,588
Computer Equipment	-	-	-	-	-	-	106	124	132
Furniture and Office Equipment	-	-	-	-	-	-	20,801	22,409	23,753
Machinery and Equipment	-	-	-	-	-	-	7,740	8,205	8,697
Transport Assets	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	-	-	-	-	-	-	137,438	145,685	153,133
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	82.5%	31.2%	0.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	572.5%	82.0%	0.0%
<i>R&M as a % of PPE</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%	67.9%	118.9%
<i>Renewal and upgrading and R&M as a % of PPE</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	33.0%	9.0%	5.0%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Detail of upgrading of existing assets provided in Table SA34e
7. Detail of depreciation provided in Table SA34d

KZN238 Alfred Duma - Table A10 Basic service delivery measurement

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	2,120	2,120	2,120
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	9,145	9,145	9,145
Using public tap (at least min.service level)	2	-	-	-	-	-	-	1,405	1,405	1,405
Other water supply (at least min.service level)	4	-	-	-	-	-	-	477	477	477
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	13,147	13,147	13,147
Using public tap (< min.service level)	3	-	-	-	-	-	-	288	288	288
Other water supply (< min.service level)	4	-	-	-	-	-	-	216	216	216
No water supply		-	-	-	-	-	-	8,410	8,410	8,410
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	8,924	8,924	8,924
Total number of households	5	-	-	-	-	-	-	20,071	20,071	20,071
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	2,704	2,704	2,704
Flush toilet (with septic tank)		-	-	-	-	-	-	193	193	193
Chemical toilet		-	-	-	-	-	-	435	435	435
Pit toilet (ventilated)		-	-	-	-	-	-	8,051	8,051	8,051
Other toilet provisions (> min.service level)		-	-	-	-	-	-	5,800	5,800	5,800
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	15,183	15,183	15,183
Bucket toilet		-	-	-	-	-	-	182	182	182
Other toilet provisions (< min.service level)		-	-	-	-	-	-	912	912	912
No toilet provisions		-	-	-	-	-	-	3,795	3,795	3,795
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	4,889	4,889	4,889
Total number of households	5	-	-	-	-	-	-	20,072	20,072	20,072
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	19,576	19,576	19,576
Electricity - prepaid (min.service level)		-	-	-	-	-	-	15,349	15,349	15,349
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	34,925	34,925	34,925
Electricity (< min.service level)		-	-	-	-	-	-	1,300	1,300	1,300
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	231,257	231,257	231,257
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	232,557	232,557	232,557
Total number of households	5	-	-	-	-	-	-	287,482	287,482	287,482
Refuse:										
Removed at least once a week		-	-	-	-	-	-	40,793	40,793	40,793
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	40,793	40,793	40,793
Removed less frequently than once a week		-	-	-	-	-	-	15,329	15,329	15,329
Using communal refuse dump		-	-	-	-	-	-	383	383	383
Using own refuse dump		-	-	-	-	-	-	11,908	11,908	11,908
Other rubbish disposal		-	-	-	-	-	-	105	105	105
No rubbish disposal		-	-	-	-	-	-	4,985	4,985	4,985
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	32,708	32,708	32,708
Total number of households	5	-	-	-	-	-	-	73,501	73,501	73,501
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	5,521	5,521	5,521
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	8,223	8,716	9,239
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	3,592	3,808	4,036
Total cost of FBS provided		-	-	-	-	-	-	11,815	12,524	13,276
Highest level of free service provided per household										
Property rates (R value threshold)		-	-	-	-	-	-	-	-	-
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-
Electricity (kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (Impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and Impermissible values in excess of section 17 of MPRA		-	-	-	10,951	4,800	484	46,694	5,173	5,483
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	2,958	7,750	5,315	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	9,322	3,386	110	3,592	3,808	4,036
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	-	-	-	23,231	15,736	5,910	50,286	8,981	9,520

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)
8. Must reflect the cost to the municipality of providing the Free Basic Service

KZN238 Alfred Duma - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Corporate Services	Vote 3 - Finance	Vote 4 - Public Works and Services	Vote 5 - Community Services	Vote 6 - Electrical Services	Vote 7 - Development, Planning and Human Settlements	Vote 8 - M.U.L.L.	Vote 9 - Balance Sheet Account	Vote 10 - Null	Vote 11 - Null	Vote 12 - Null	Vote 13 - Null	Vote 14 - Null	Vote 15 - Null	Total
R thousand	1																
Revenue By Source																	
Property rates		171,744	-	-	-	-	-	-	-	-	-	-	-	-	-	-	171,744
Service charges - electricity revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue		-	-	124	-	-	313,808	1	-	-	-	-	-	-	-	-	313,930
Service charges - sanitation revenue		-	-	-	-	-	-	4	-	-	-	-	-	-	-	-	4
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - external investments		1,223	-	-	15	672	-	873	-	-	-	-	-	-	-	-	2,784
Interest earned - outstanding debtors		15,078	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,078
Fines, penalties and forfeits		-	-	-	-	1,810	1,128	-	-	-	-	-	-	-	-	-	2,938
Licences and permits		6,688	-	-	-	10,861	-	-	-	-	-	-	-	-	-	-	17,549
Agency services		-	78	-	-	5,971	-	-	-	-	-	-	-	-	-	-	6,049
Other revenue		58	1,408	189	380	1,551	5	273	-	-	-	-	-	-	-	-	4,653
Transfers and subsidies		129,316	-	3,860	3,347	48,825	24,730	4,142	-	-	-	-	-	-	-	-	211,960
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	745,164
Expenditure By Type																	
Employee related costs		50,220	24,584	32,523	30,884	77,880	28,006	18,685	-	-	-	-	-	-	-	-	274,262
Remuneration of councillors		24,738	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,738
Debt Impairment		27,082	-	-	-	7,427	3,183	-	-	-	-	-	-	-	-	-	37,692
Depreciation & asset impairment		2,413	2,378	537	49,882	16,054	11,087	371	-	-	-	-	-	-	-	-	82,724
Finance charges		101	-	-	-	-	382	-	-	-	-	-	-	-	-	-	483
Bulk purchases		-	-	-	-	-	204,142	-	-	-	-	-	-	-	-	-	204,142
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		12,380	5,713	8,711	29,003	24,148	21,803	8,431	-	-	-	-	-	-	-	-	111,288
Transfers and subsidies		5,688	-	-	-	1,180	-	4,281	-	-	-	-	-	-	-	-	11,149
Other expenditure		34,854	6,577	5,317	8,150	14,031	20,851	2,437	-	-	-	-	-	-	-	-	92,057
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		166,255	36,853	48,069	117,999	140,730	280,574	35,166	-	-	-	-	-	-	-	-	830,465
Surplus/(Deficit)		(166,255)	(36,853)	(48,069)	(117,999)	(140,730)	(280,574)	(35,166)	-	-	-	-	-	-	-	-	(830,301)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	62,748	-	15,000	-	-	-	-	-	-	-	-	-	77,748
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(166,255)	(36,853)	(48,069)	(55,251)	(140,730)	(275,574)	(35,166)	-	-	-	-	-	-	-	-	(15,552)

References

1. Departmental columns to be based on municipal organisation structure

KZN238 Alfred Duma - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Council general	Provision of Rates									314,809	329,872	347,875
Corporate services	Efficient HR and administration support									21,081	21,567	28,107
Infrastructure and services	Provision of Infrastructure									58,689	61,824	65,130
Finance	Revenue generation									25,323	26,514	23,342
Dev Plan & Human Settlements	Local Economic Development									2,988	2,927	2,861
Community Services	Safety, traffic, refuse collection and Maintaining the Parks and Gardens									76,901	82,101	86,192
Electricity/ Basic Services Department	Provision of electricity connections									329,722	326,838	329,260
To promote good governance and Efficient Administration												
Institutional development and transformation.												
To provide and promote access to public infrastructure and facilities												
To promote good financial management and viability												
Promote social and economic development												
To promote community welfare.												
To promote clean environment.												
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	-	-	-	-	-	-	829,511	851,641	882,787

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

KZN238 Alfred Duma - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
MUNICIPAL MANAGER	Provision of Rates, HOD support									161,375	166,200	176,164
Corporate services	Efficient HR and administration support									42,401	42,775	45,842
Public works and services	Provision of Infrastructure									98,745	105,591	112,623
Finance	Revenue generation									48,089	50,758	53,587
Dev Plan & Human Settlements	Provision of planning studies, support to SMMEs and LED									32,418	29,823	30,314
Community Services	Safety, traffic, refuse collection									130,411	138,023	146,054
Basic Services / Electricity Department										261,182	265,739	269,628
To promote good governance and Efficient Administration												
Institutional development and transformation.												
To provide and promote access to public infrastructure and facilities												
To promote good financial management and viability												
Promote social and economic development												
To promote community welfare.												
To provide and promote access to public infrastructure and facilities												
Allocations to other priorities												
Total Expenditure				-	-	-	-	-	-	774,820	798,909	834,202

References

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

KZN238 Alfred Duma - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Municipal Manager	Foster participatory democracy and Batho Pele principles	A										
Council General	Fight poverty and build sustainable communities	B								498	528	559
Corporate services	Promote sound governance, financial sustainability and optimal institutional transformation	C								560	594	629
Finance	Promote sound governance, financial sustainability and optimal institutional transformation	D								326	346	366
Infrastructure and services	Provision of quality basic services and infrastructure	E								48,785	61,363	77,472
Dev Plan & Human Settlements	Economic growth and development that leads to sustainable job creation	F								31	104,720	50,035
Community services	Foster participatory democracy and Batho Pele principles	G								16,066	11,400	12,424
Electrical Services / Basic Services	Provision of electric or Energy	H								23,351	15,569	15,073
To promote good governance and Efficient Administration		I										
Institutional development and transformation.		J										
To promote good financial management and viability		K										
Promote social and economic development		L										
To provide and promote access to public infrastructure and facilities		M										
to promote community safety and facilities		N										
To promote infrastructure for community welfare.		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	-	-	-	-	-	-	89,637	194,518	156,558

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
2. Goal code must be used on Table SA36

KZN238 Alfred Duma - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Vote 1 - vote name	MM							187,418,116		
Function 1 - (name)	To ensure improved access to basic services									
Sub-function 1 - (name)										
The percentage of households with access to basic electricity in the Municipal supplied Area by 30 June 2018								3,892,338		
Sub-function 2 - (name)										
The percentage of households with access to										
to basic solid waste in the Urban Area by 30 June 2018								18,908,431		
Sub-function 3 - (name)										
The percentage of households earning										
less than R2840 per month with access to free basic services by 30 June 2018										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure's description										
Sub-function 2 - (name)										
Insert measure's description										
Sub-function 3 - (name)										
Insert measure's description										
Vote 2 - PUBLIC WORKS	To ensure improved access to basic services							13,000,000		
Function 1 - (name)										
Sub-function 1 - (name)										
Construction of KMs of Zimbe Gravel Roads and 1 Bridge in Ward 28 by 30 June 2018								10,000,000		
Sub-function 2 - (name)										
Construction of Tarmacked Roads in Wards 3 and 4 by 30 June 2018										
Sub-function 3 - (name)										
Insert measure's description	Construction KM of Kwerelo to Etholent River Road, Ward							8,000,000		
Function 2 - (name)										
Sub-function 1 - (name)										
Provision of electricity connections to households in Papworth Schedule 58, Ward 24 and ready for commissioning by								7,700,000		
Sub-function 2 - (name)										
Construction of Ehangweni Tarmacked Roads in Ward 28 by 30 June 2018								6,000,000		
Sub-function 3 - (name)										
Insert measure's description										
Vote 3 - vote name										
Function 1 - (name)	Improve Management of Fleetness							1,888,997		
Sub-function 1 - (name)										
Percentage of budget spent on procurement of Furniture and Equipment								4,615,600		
procurement of Furniture and Equipment										
Sub-function 2 - (name)										
Completion and submission of a										
credible movable assets register to the CFO by 30 June 2018								4,615,000		
Sub-function 3 - (name)										
Completion and submission of a 30 June 2018										
credible electricity, roads and stormwater register to the CFO by										
Function 2 - (name)								237,002		
Sub-function 1 - (name)										
Completion and submission of a										
credible street furniture register to the CFO by 30 June 2018								%		
Sub-function 2 - (name)										
Insert measure's description										
Sub-function 3 - (name)										
Insert measure's description										
And so on for the rest of the Votes										

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
3. Only include prior year comparative information for individual measures where relevant activity occurred in that year

KZN238 Alfred Duma - Entities measureable performance objectives

Description	Unit of measurement	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Entity 1 - (name of entity)										
Insert measure's description										
Entity 2 - (name of entity)										
The percentage of households with access to										
Entity 3 - (name of entity)										
The percentage of households with access to										
And so on for the rest of the Entities										

1. Include a measurable performance objective as agreed with the parent municipality (MFMA s87(3)(d))
2. Only include prior year comparative information for individual measures where relevant activity occurred in that year

KZN238 Alfred Duma - Supporting Table SA8 Performance Indicators and benchmarks

ZIN238 Alfred Duma - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.4%	0.3%	0.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.6%	0.6%	0.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	6.6%	10.9%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	12.2%	11.6%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	-	-	-	-	(7.2)	1.0	0.1	2.5	11.6	11.6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	-	-	-	-	(7.2)	1.0	0.1	2.5	11.6	11.6
Liquidity Ratio	Monetary Assets/Current Liabilities	-	-	-	-	-	1.0	0.1	1.9	8.8	8.8
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	0.0%	0.0%	100.0%	98.5%	17.0%	66.4%	92.2%	102.5%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		0.0%	0.0%	0.0%	100.0%	98.5%	17.0%	66.4%	92.2%	102.5%	102.5%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	0.0%	0.0%	0.0%	1.0%	56.4%	21.9%	6.3%	21.7%	22.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))										
Creditors to Cash and Investments		0.0%	0.0%	0.0%	0.0%	0.0%	87.1%	653.3%	16.7%	22.5%	24.9%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	29.6%	28.9%	28.6%	27.4%	36.5%	37.4%	38.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	32.9%	32.0%	31.4%		39.8%	40.7%	41.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		9.1%	9.3%	9.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	11.4%	10.8%	7.5%	6.0%	9.8%	10.0%	10.2%
<u>IDP regulation financial viability Indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	-	-	-	26.8	26.6	28.8	28.1	33.0	32.2	33.3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	0.0%	0.0%	0.0%	1.5%	83.0%	33.6%	9.6%	33.1%	34.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	-	-	-	4.9	3.6	35.0	0.3	4.0	2.9	2.5

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

Description of economic indicator	Ref	Base of calculation	2001 Census	2007 Survey	2011 Census	2013/14		2014/15		2015/16		2016/17		2017/18		Annual Year 2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54	2054/55	2055/56	2056/57	2057/58	2058/59	2059/60	2060/61	2061/62	2062/63	2063/64	2064/65	2065/66	2066/67	2067/68	2068/69	2069/70	2070/71	2071/72	2072/73	2073/74	2074/75	2075/76	2076/77	2077/78	2078/79	2079/80	2080/81	2081/82	2082/83	2083/84	2084/85	2085/86	2086/87	2087/88	2088/89	2089/90	2090/91	2091/92	2092/93	2093/94	2094/95	2095/96	2096/97	2097/98	2098/99	2099/00	2100/01	2101/02	2102/03	2103/04	2104/05	2105/06	2106/07	2107/08	2108/09	2109/10	2110/11	2111/12	2112/13	2113/14	2114/15	2115/16	2116/17	2117/18	2118/19	2119/20	2120/21	2121/22	2122/23	2123/24	2124/25	2125/26	2126/27	2127/28	2128/29	2129/30	2130/31	2131/32	2132/33	2133/34	2134/35	2135/36	2136/37	2137/38	2138/39	2139/40	2140/41	2141/42	2142/43	2143/44	2144/45	2145/46	2146/47	2147/48	2148/49	2149/50	2150/51	2151/52	2152/53	2153/54	2154/55	2155/56	2156/57	2157/58	2158/59	2159/60	2160/61	2161/62	2162/63	2163/64	2164/65	2165/66	2166/67	2167/68	2168/69	2169/70	2170/71	2171/72	2172/73	2173/74	2174/75	2175/76	2176/77	2177/78	2178/79	2179/80	2180/81	2181/82	2182/83	2183/84	2184/85	2185/86	2186/87	2187/88	2188/89	2189/90	2190/91	2191/92	2192/93	2193/94	2194/95	2195/96	2196/97	2197/98	2198/99	2199/00	2200/01	2201/02	2202/03	2203/04	2204/05	2205/06	2206/07	2207/08	2208/09	2209/10	2210/11	2211/12	2212/13	2213/14	2214/15	2215/16	2216/17	2217/18	2218/19	2219/20	2220/21	2221/22	2222/23	2223/24	2224/25	2225/26	2226/27	2227/28	2228/29	2229/30	2230/31	2231/32	2232/33	2233/34	2234/35	2235/36	2236/37	2237/38	2238/39	2239/40	2240/41	2241/42	2242/43	2243/44	2244/45	2245/46	2246/47	2247/48	2248/49	2249/50	2250/51	2251/52	2252/53	2253/54	2254/55	2255/56	2256/57	2257/58	2258/59	2259/60	2260/61	2261/62	2262/63	2263/64	2264/65	2265/66	2266/67	2267/68	2268/69	2269/70	2270/71	2271/72	2272/73	2273/74	2274/75	2275/76	2276/77	2277/78	2278/79	2279/80	
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[illegible]

Professione:

1. Monthly household income (USD/month). Should include all sources of income.
2. Enter the primary expense the municipality uses to provide its public services.
3. Select all of the housing units within the municipality.
4. Measure its household income to be compared by the municipality under separate agreement with province.
5. Provide additional data on housing expenditure categories. Include any non-spatial variables associated by the municipality.
6. Enter initial or estimated population measured as a basis for budget calculations.
7. Enter initial or estimated expenditure measured as a basis for budget calculations for each revenue group.
8. Standard distance < 200m from dwelling.
9. Street distance > 200m from dwelling.

KZN238 Alfred Duma Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2018/20
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	—	—	—	221,740	167,656	1,249,421	11,454	223,792	188,755	154,617
Cash + investments at the yr end less applications - R'000	18(1)b	2	—	—	—	31,731	8,083	1,323,104	(2,303,691)	8,713	412,477	420,855
Cash year end/monthly employee/supplier payments	18(1)b	3	—	—	—	4.9	3.6	35.0	0.3	4.0	2.9	2.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	—	—	—	109,429	92,037	138,451	129,941	54,892	52,732	48,566
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(8.0%)	(8.0%)	(8.0%)	(4.0%)	(9.0%)	(15.5%)	(2.9%)	(3.1%)	(3.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	0.0%	0.0%	99.5%	98.0%	20.5%	67.8%	90.4%	101.8%	101.8%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	0.0%	0.0%	5.3%	7.4%	0.0%	0.0%	7.7%	7.9%	8.1%
Capital payments % of capital expenditure	18(1)c,(19)	8	0.0%	0.0%	0.0%	188.1%	216.1%	145.5%	686.3%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	6.6%	10.9%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - Incr(decr)	18(1)a	11	N.A.	0.0%	0.0%	0.0%	0.0%	522.4%	(63.3%)	559.6%	254.3%	8.0%
Long term receivables % change - Incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.8%	4.3%	67.8%	118.8%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	440.7%	30.8%	0.0%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

KZN238 Alfred Duma - Supporting Table SA11 Property rates summary

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Valuation:	1									
Date of valuation:								y		
Financial year valuation used										
Municipal by-laws s6 in place? (Y/N)	2									
Municipal/assistant valuer appointed? (Y/N)										
Municipal partnership s38 used? (Y/N)										
No. of assistant valuers (FTE)	3							1		
No. of data collectors (FTE)	3							3		
No. of internal valuers (FTE)	3							1		
No. of external valuers (FTE)	3							1		
No. of additional valuers (FTE)	4									
Valuation appeal board established? (Y/N)										
Implementation time of new valuation roll (mths)										
No. of properties	5							±47 034		
No. of sectional title values	5									
No. of unreasonably difficult properties s7(2)										
No. of supplementary valuations								8		
No. of valuation roll amendments										
No. of objections by rate payers								-		
No. of appeals by rate payers								-		
No. of successful objections	8							-		
No. of successful objections > 10%	8							-		
Supplementary valuation										
Public service infrastructure value (Rm)	5							R14,058,000		
Municipality owned property value (Rm)								R155,241,000		
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
Total valuation reductions:		-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	5									
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5									
Rating:										
Residential rate used to determine rate for other categories? (Y/N)										
Differential rates used? (Y/N)	5									
Limit on annual rate increase (s20)? (Y/N)										
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)										
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R'000)	6									
Rate revenue expected to collect (R'000)	6									
Expected cash collection rate (%)										
Special rating areas (R'000)	7									
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)										
Phase-in reductions/discounts (R'000)										
Total rebates, exemptns, reductns, discs (R'000)		-	-	-	-	-	-	-	-	-

References

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
2. To give effect to rates policy
3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
4. Required to implement new system (FTE)
5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
7. Included in rate revenue budget
8. In favour of the rate-payer

KZN238 Alfred Duma - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Real.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Sett/a.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monuments	Public benefit organs.	Mining Props.
Budget Year 2017/18																	
Valuation:																	
No. of properties		33,158	129	85,920	1,046	106	63	644	10,590	-	270	-	-	355	36	8	
No. of sectional title property values																	
No. of unreasonably difficult properties s7(2)																	
No. of supplementary valuations																	
Supplementary valuation (Rm)																	
No. of valuation roll amendments																	
No. of objections by rate-payers																	
No. of appeals by rate-payers																	
No. of appeals by rate-payers finalised																	
No. of successful objections	5																
No. of successful objections > 10%	5																
Estimated no. of properties not valued		1,500															
Years since last valuation (select)	2		2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
Frequency of valuation (select)																	
Method of valuation used (select)																	
Base of valuation (select)																	
Phasing-in properties s21 (number)																	
Combination of rating types used? (Y/N)																	
Fiat rate used? (Y/N)																	
Is balance rated by uniform rate/variable rate?																	
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)																	
Valuation reductions-nature reserves/park (Rm)																	
Valuation reductions-mineral rights (Rm)																	
Valuation reductions-R15,000 threshold (Rm)																	
Valuation reductions-public worship (Rm)																	
Valuation reductions-other (Rm)																	
Total valuation reductions:	2																
Total value used for rating (Rm)	6																
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6																
Rating:																	
Average rate	3																
Rate revenue budget (R '000)																	
Rate revenue expected to collect (R'000)																	
Expected cash collection rate (%)	4																
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)																	
Rebates, exemptions - pensioners (R'000)																	
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)																	
Phase-in reductions/discounts (R'000)																	
Total rebates, exemptions, reductions, discounts (R'000)																	

References

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is 'true' value greater than MPRA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

KZN238 Alfred Duma - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2013/14	2014/15	2015/16	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework		
							Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Property rates (rate in the Rand)	1								
Residential properties							0.0114		
Residential properties - vacant land							0.0411		
Formal/informal settlements									
Small holdings							0.0028		
Farm properties - used							0.0114		
Farm properties - not used									
Industrial properties									
Business and commercial properties									
Communal land - residential									
Communal land - small holdings									
Communal land - farm property							0.0128		
Communal land - business and commercial							0.0200		
Communal land - other									
State-owned properties							0.0028		
Municipal properties							0.0200		
Public service infrastructure									
Privately owned towns serviced by the owner									
State trust land									
Residuum and redistribution properties									
Protected areas									
National monuments properties									
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15,000	15,000	15,000	15,000	15,000	15,000	15,000
General residential rebate									
Indigent rebate or exemption									
Pensioners/social grants rebate or exemption									
Temporary relief rebate or exemption									
Bona fide farmers rebate or exemption									
Other rebates or exemptions									
Water tariffs	2								
Domestic									
Basic charge/levied fee (Rands/month)									
Service point - vacant land (Rands/month)									
Water usage - flat rate tariff (c/k)									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 (c/k)		(fill in thresholds)							
Water usage - Block 2 (c/k)		(fill in thresholds)							
Water usage - Block 3 (c/k)		(fill in thresholds)							
Water usage - Block 4 (c/k)		(fill in thresholds)							
Other	2								
Waste water tariffs									
Domestic									
Basic charge/levied fee (Rands/month)									
Service point - vacant land (Rands/month)									
Waste water - flat rate tariff (c/k)									
Volumetric charge - Block 1 (c/k)		(fill in structure)							
Volumetric charge - Block 2 (c/k)		(fill in structure)							
Volumetric charge - Block 3 (c/k)		(fill in structure)							

KZN238 Alfred Duma - Supporting Table SA14 Household bills

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total large household bill:		-	-	-	-	-	-	-	-	-	-
% Increase/decrease			-	-	-	-	-		-	-	-
<u>Monthly Account for Household - 'Affordable Range'</u>	2										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% Increase/decrease			-	-	-	-	-		-	-	-
<u>Monthly Account for Household - 'Indigent' Household receiving free basic services</u>	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal											
Other											
sub-total		-	-	-	-	-	-	-	-	-	-
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	-	-	-
% Increase/decrease			-	-	-	-	-		-	-	-

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

KZN238 Alfred Duma - Supporting Table SA15 Investment particulars by type

Supporting Table SA15 Investment particulars by type										
Investment type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-
References										

References

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

KZN238 Alred Duma - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed Interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of Investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (R)	Investment Top Up	Closing Balance
Name of Institution & Investment ID	1	Yr/Months												
Parent municipality														
NEDBANK				Y	M	0.084	420		08.05.2017	5,000	167			5,167
INVESTEC					M	0.0838	418		09.05.2017	5,000	182			5,182
NEDBANK					M	0.083	636		29.08.2017	11,000	257			11,257
INVESTEC					M	0.0785	383		15.05.2017	5,000	81			5,081
														-
Municipality sub-total										26,000		-	-	27,684
Extrale														-
														-
														-
														-
Extrale sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									26,000		-	-	27,684

Date: 09/06/2018
 1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)
 2. List investments in expiry date order

KZN238 Alfred Duma - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Parent municipality										
Annuity and Bullet Loans								4,137	3,808	3,448
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit								(1,051)	(360)	(393)
Financial Leases								-		
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	3,086	3,448	3,054
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	-	-	-	-	-	-	3,086	3,448	3,054

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

References

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)

KZN238 Alfred Duma - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	-	-	201,809	197,768	197,768	201,744	212,314	222,285
Local Government Equitable Share					183,739	183,739	183,739	190,231	205,367	215,338
Municipal Systems Improvement					-	-	-	-	-	-
Finance Management					3,450	3,450	3,450	3,600	3,600	3,600
EPWP Incentive					4,906	4,906	4,906	3,347	3,347	3,347
Other transfers/grants [insert description]					9,714	5,673	5,673	4,566	-	-
Provincial Government:		-	-	-	6,651	10,129	10,129	11,216	9,382	9,635
Housing					1,681	1,681	1,681	3,959	3,959	3,959
					760	738	738	776	814	836
					175	175	175	183	192	202
Other transfers/grants [insert description]					4,035	4,035	4,035	4,198	4,417	4,638
						3,500	3,500	2,100		
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	-	-	-	208,460	207,897	207,897	212,960	221,696	231,920
Capital Transfers and Grants										
National Government:		-	-	-	-	-	-	77,749	74,329	77,107
Municipal Infrastructure Grant (MIG)								62,749	66,329	70,107
Integrated National Electrification Programme								15,000	8,000	7,000
Disaster Relief Grant										
DEMARCATON TRANSITION GRANT										
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	-	-	-	-	-	-	77,749	74,329	77,107
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	-	-	208,460	207,897	207,897	290,709	296,025	309,027

References

1. Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
2. Amounts actually **RECEIVED**; not revenue recognised (objective is to confirm grants transferred)
3. Replacement of RSC levies
4. Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
5. Total transfers and grants must reconcile to Budgeted Cash Flows
6. Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

KZN238 Alfred Duma - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		-	-	-	201,809	197,768	197,768	201,744	212,314	222,285
Local Government Equitable Share					183,739	183,739	183,739	190,231	205,367	215,336
Municipal Systems Improvement					-	-	-	-	-	-
Finance Management					3,450	3,450	3,450	3,600	3,600	3,600
EPWP Incentive					4,906	4,906	4,906	3,347	3,347	3,347
					-	-	-	-	-	-
					-	-	-	-	-	-
Other transfers/grants [insert description]					9,714	5,673	5,673	4,566	-	-
Provincial Government:		-	-	-	-	-	-	11,216	9,382	9,635
Housing								3,959	3,959	3,959
								776	814	836
								183	192	202
Other transfers/grants [insert description]								4,198	4,417	4,638
								2,100		
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		-	-	-	201,809	197,768	197,768	212,960	221,696	231,920
Capital expenditure of Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant (MIG)										
Intergrated National Electrification Programme										
Disaster Relief Grant										
DEMARCATON TRANSITION GRANT										
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	-	-	201,809	197,768	197,768	212,960	221,696	231,920

References

1. Expenditure must be separately listed for each transfer or grant received or recognised

KZN238 Alfred Duma - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance
2. CTBM = conditions to be met
3. National Treasury database will require this reconciliation for each transfer/grant

KZN238 Alfred Duma - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand											
Cash Transfers to other municipalities											
<i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
		-	-	-	1,951	5,602	656	896	11,107	6,661	6,778
Total Cash Transfers To Municipalities:		-	-	-	1,951	5,602	656	896	11,107	6,661	6,778
Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Eme'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
<i>Insert description</i>	3	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Insert description</i>		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
<i>Insert description</i>		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	1,951	5,602	656	896	11,107	6,661	6,778
Non-Cash Transfers to other municipalities											
<i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Entities/Eme'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
<i>Insert description</i>	3	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
<i>Insert description</i>	4	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
<i>Insert description</i>	5	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	-	-	-	1,951	5,602	656	896	11,107	6,661	6,778

References

1. Insert description listed by municipal name and demarcation code of recipient
2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)
3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)
4. Insert description of each other organisation (e.g. charity)
5. Insert description of each other organisation (e.g. the aged, child-headed households)
6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

KZN238 Alfred Duma - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages	1	-	-	-	18,788	18,789	19,833	18,555	19,457	20,824
Pension and UIF Contributions		-	-	-	1,020	1,834	1,425	1,844	1,954	2,072
Medical Aid Contributions		-	-	-	244	104	83	-	-	-
Motor Vehicle Allowance		-	-	-	3,841	2,569	2,319	-	-	-
Cellphone Allowance		-	-	-	1,815	1,492	1,271	1,762	1,889	2,002
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	81	81	-	2,758	2,924	3,089
Sub Total - Councillors		-	-	-	23,588	22,828	18,741	24,739	26,223	27,797
% Increase	4	-	-	-	-	(4.1%)	(17.2%)	32.0%	6.0%	6.0%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		-	-	-	-	-	-	-	-	-
% Increase	4	-	-	-	-	-	-	-	-	-
Other Municipal Staff										
Basic Salaries and Wages		-	-	-	159,285	183,407	147,530	196,708	267,223	219,402
Pension and UIF Contributions		-	-	-	1,429	2,148	1,319	25,773	27,319	28,958
Medical Aid Contributions		-	-	-	8,918	8,794	5,863	11,420	12,115	12,842
Overtime		-	-	-	7,187	7,428	8,648	4,248	4,503	4,723
Performance Bonus		-	-	-	3,000	3,000	-	4,208	4,480	4,728
Motor Vehicle Allowance	3	-	-	-	12,399	13,808	12,321	18,030	19,892	18,011
Cellphone Allowance	3	-	-	-	46	45	39	622	653	686
Housing Allowances	3	-	-	-	1,819	1,812	1,438	1,847	1,958	2,079
Other benefits and allowances	3	-	-	-	-	-	-	4,127	4,375	4,630
Payments in lieu of leave		-	-	-	-	-	-	7,208	7,840	8,089
Long service awards		-	-	-	-	-	-	3,152	3,341	3,541
Post-retirement benefit obligations	6	-	-	-	21,894	22,456	18,887	-	-	-
Sub Total - Other Municipal Staff		-	-	-	213,676	210,664	195,245	274,252	290,480	307,654
% Increase	4	-	-	-	-	(1.4%)	(7.3%)	40.5%	5.9%	5.9%
Total Parent Municipality		-	-	-	237,273	233,293	213,986	288,991	316,703	335,451
		-	-	-	-	(1.7%)	(8.3%)	39.7%	5.9%	5.9%
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% Increase	4	-	-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% Increase	4	-	-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% Increase	4	-	-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		-	-	-	237,273	233,293	213,986	288,991	316,703	335,451
% Increase	4	-	-	-	-	(1.7%)	(8.3%)	39.7%	5.9%	5.9%
TOTAL MANAGERS AND STAFF	5,7	-	-	-	213,676	210,664	195,245	274,252	290,480	307,654

References

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. s57 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid
7. Correct as at 30 June

Column Definitions:

- A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited
- D. The original budget approved by council for the budget year.
- E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.
- G. The amount to be appropriated for the budget year.
- H and I. The indicative projection

KZN238 Alfred Duma - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2015/16			Current Year 2016/17			Budget Year 2017/18		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)								73	-	73
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3							11	1	10
Other Managers	7									
Professionals		-	-	-	-	-	-	59	58	1
Finance								681	384	318
Spatial/town planning								108	92	13
Information Technology								90	95	
Roads								6	4	2
Electricity										
Water								477	174	303
Sanitation										
Refuse										
Other									19	
Technicians		-	-	-	-	-	-	33	53	-
Finance										
Spatial/town planning										
Information Technology										
Roads									20	
Electricity								33	33	
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)								167	167	
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	-	-	-	-	-	-	1,323	962	402
% Increase										
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10									
Human Resources personnel headcount	8, 10									

References

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number of persons, Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
8. Total number of employees working on these functions

KZN238 Alfred Duma - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source																
Property rates		14,312	14,312	14,312	14,312	14,312	14,312	14,312	14,312	14,312	14,312	14,312	14,312	166,864	176,875	187,488
Service charges - electricity revenue		26,161	26,161	26,161	26,161	26,161	26,161	26,161	26,161	26,161	26,161	26,161	26,161	305,707	308,799	311,927
Service charges - water revenue		0	0	0	0	0	0	0	0	0	0	0	0	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	19,702	20,884	22,137
Rental of facilities and equipment		232	232	232	232	232	232	232	232	232	232	232	232	2,784	2,948	3,119
Interest earned - external investments		1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	15,076	15,966	16,892
Interest earned - outstanding debtors		228	228	228	228	228	228	228	228	228	228	228	228	2,737	2,888	3,066
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	1,352	16,230	16,970	17,739
Licences and permits		504	504	504	504	504	504	504	504	504	504	504	504	6,047	6,404	6,775
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies		17,663	17,663	17,663	17,663	17,663	17,663	17,663	17,663	17,663	17,663	17,663	17,663	211,960	221,696	231,920
Other revenue		388	388	388	388	388	388	388	388	388	388	388	388	4,656	3,872	4,597
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution)		62,097	62,097	62,097	62,097	62,097	62,097	62,097	62,097	62,097	62,097	62,097	68,686	751,762	777,312	805,660
Expenditure By Type																
Employee related costs		22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854	274,252	280,480	307,654
Remuneration of councillors		2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062	24,739	26,223	27,797
Debt impairment		3,139	3,139	3,139	3,139	3,139	3,139	3,139	3,139	3,139	3,139	3,139	3,139	37,662	39,922	42,317
Depreciation & asset impairment		5,956	5,956	5,956	5,956	5,956	5,956	5,956	5,956	5,956	5,956	5,956	5,956	71,474	75,763	80,309
Finance charges		41	41	41	41	41	41	41	41	41	41	41	41	2,084	2,138	2,195
Bulk purchases		17,012	17,012	17,012	17,012	17,012	17,012	17,012	17,012	17,012	17,012	17,012	17,012	204,142	205,163	206,188
Other materials		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services		7,891	7,891	7,891	7,891	7,891	7,891	7,891	7,891	7,891	7,891	7,891	7,891	94,696	112,324	120,176
Transfers and subsidies		926	926	926	926	926	926	926	926	926	926	926	926	11,107	6,661	6,778
Other expenditure		4,539	4,539	4,539	4,539	4,539	4,539	4,539	4,539	4,539	4,539	4,539	4,534	54,463	40,236	40,788
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		64,419	64,419	64,419	64,419	64,419	64,419	64,419	64,419	64,419	64,419	64,419	66,012	774,619	796,908	834,201
Surplus/(Deficit)		(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	(2,322)	2,684	(22,857)	(21,597)	(28,541)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		6,479	6,479	6,479	6,479	6,479	6,479	6,479	6,479	6,479	6,479	6,479	6,479	77,749	74,329	77,107
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157	9,163	54,892	52,732	48,566
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157	9,163	54,892	52,732	48,566
Surplus/(Deficit) after capital transfers & contributions		4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157	9,163	54,892	52,732	48,566

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

KZN238 Alfred Duma - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description		Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote																	
	Vote 1 - Executive and Council		26,915	26,915	26,915	26,915	26,915	26,915	26,915	26,915	26,915	26,915	26,915	23,620	319,689	335,045	353,358
	Vote 2 - Corporate Services		124	124	124	124	124	124	124	124	124	124	124	19,720	21,081	21,567	28,107
	Vote 3 - Finance		391	391	391	391	391	391	391	391	391	391	391	21,022	25,323	26,514	23,342
	Vote 4 - Public Works and Services		5,542	5,542	5,542	5,542	5,542	5,542	5,542	5,542	5,542	5,542	5,542	(2,271)	58,689	61,824	65,130
	Vote 5 - Community Services		7,548	7,548	7,548	7,548	7,548	7,548	7,548	7,548	7,548	7,548	7,548	(2,538)	80,493	85,909	90,228
	Vote 6 - Electrical Services		29,556	29,556	29,556	29,556	29,556	29,556	29,556	29,556	29,556	29,556	29,556	12,833	337,945	335,554	338,500
	Vote 7 - Development, Planning and Human Settlements		441	441	441	441	441	441	441	441	441	441	441	(1,868)	2,988	2,927	2,861
	Vote 8 - NULL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 9 - Balance Sheet Account		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 10 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 11 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 12 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 13 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 14 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 15 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote			70,517	70,517	70,517	70,517	70,517	70,517	70,517	70,517	70,517	70,517	70,517	70,517	846,207	869,339	901,526
Expenditure by Vote to be appropriated																	
	Vote 1 - Executive and Council		13,855	13,855	13,855	13,855	13,855	13,855	13,855	13,855	13,855	13,855	13,855	13,855	166,255	171,373	181,637
	Vote 2 - Corporate Services		3,533	3,533	3,533	3,533	3,533	3,533	3,533	3,533	3,533	3,533	3,533	3,533	42,401	42,775	45,842
	Vote 3 - Finance		4,007	4,007	4,007	4,007	4,007	4,007	4,007	4,007	4,007	4,007	4,007	4,007	48,089	50,758	53,587
	Vote 4 - Public Works and Services		9,166	9,166	9,166	9,166	9,166	9,166	9,166	9,166	9,166	9,166	9,166	(2,083)	98,745	105,591	112,623
	Vote 5 - Community Services		11,167	11,167	11,167	11,167	11,167	11,167	11,167	11,167	11,167	11,167	11,167	11,167	134,003	141,831	150,090
	Vote 6 - Electrical Services		22,450	22,450	22,450	22,450	22,450	22,450	22,450	22,450	22,450	22,450	22,450	22,450	268,405	274,455	278,867
	Vote 7 - Development, Planning and Human Settlements		2,701	2,701	2,701	2,701	2,701	2,701	2,701	2,701	2,701	2,701	2,701	2,701	32,418	29,823	30,314
	Vote 8 - NULL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 9 - Balance Sheet Account		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 10 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 11 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 12 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 13 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 14 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Vote 15 - Null		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote			66,880	66,880	66,880	66,880	66,880	66,880	66,880	66,880	66,880	66,880	66,880	66,880	791,315	816,607	852,961
Surplus/(Deficit) before assoc.			3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	14,886	54,892	52,732	48,565
	Taxation		#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	-	-	-
	Attributable to minorities		#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	-	-	-
	Share of surplus/ (deficit) of associate		#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	-	-	-
Surplus/(Deficit)			1	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!
References																	
1. Surplus (Deficit) must reconcile with Budgeted Financial Performance																	
															54,892	52,732	48,565

KZN238 Alfred Duma - Supporting Table SAZ7 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional																
Governance and administration																
Executive and council		30,499	30,499	30,499	30,499	30,499	30,499	30,499	30,499	30,499	30,499	30,499	30,499	30,499	383,020	404,652
Finance and administration		26,982	26,982	26,982	26,982	26,982	26,982	26,982	26,982	26,982	26,982	26,982	26,982	26,982	339,387	357,960
Internal audit		3,871	3,871	3,871	3,871	3,871	3,871	3,871	3,871	3,871	3,871	3,871	3,871	3,871	48,136	51,506
Community and public safety																
Community and social services		(354)	(354)	(354)	(354)	(354)	(354)	(354)	(354)	(354)	(354)	(354)	(354)	(354)	(4,504)	(4,774)
Sport and recreation		599	599	599	599	599	599	599	599	599	599	599	599	599	7,166	7,081
Public safety		401	401	401	401	401	401	401	401	401	401	401	401	401	4,892	4,911
Housing		(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(103)	(1,312)	(1,392)
Health		(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(12)	(150)	(160)
		312	312	312	312	312	312	312	312	312	312	312	312	312	3,722	3,722
Economic and environmental services																
Planning and development		6,126	6,126	6,126	6,126	6,126	6,126	6,126	6,126	6,126	6,126	6,126	6,126	6,126	77,520	81,732
Road transport		4,898	4,898	4,898	4,898	4,898	4,898	4,898	4,898	4,898	4,898	4,898	4,898	4,898	61,910	65,222
Environmental protection		1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,229	1,229	15,610	16,510
Trading services																
Energy sources		33,346	33,346	33,346	33,346	33,346	33,346	33,346	33,346	33,346	33,346	33,346	33,346	33,346	402,309	408,739
Water management		28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	336,565	339,572
Waste water management		(79)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	(79)	(1,011)	(1,072)
Waste management		5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	5,184	66,755	70,239
Other		(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(53)	(676)	(716)
Total Revenue - Functional		70,517	70,517	70,517	70,517	70,517	70,517	70,517	70,517	70,517	70,517	70,517	70,517	70,517	869,339	901,526
Expenditure - Functional																
Governance and administration																
Executive and council		22,945	22,945	22,945	22,945	22,945	22,945	22,945	22,945	22,945	22,945	22,945	22,945	22,945	284,615	301,938
Finance and administration		13,764	13,764	13,764	13,764	13,764	13,764	13,764	13,764	13,764	13,764	13,764	13,764	13,764	170,223	180,417
Internal audit		8,849	8,849	8,849	8,849	8,849	8,849	8,849	8,849	8,849	8,849	8,849	8,849	8,849	110,177	117,072
Community and public safety																
Community and social services		331	331	331	331	331	331	331	331	331	331	331	331	331	4,215	4,469
Sport and recreation		6,235	6,235	6,235	6,235	6,235	6,235	6,235	6,235	6,235	6,235	6,235	6,235	6,235	78,860	83,103
Public safety		2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	2,517	31,978	33,825
Housing		2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	2,713	34,336	36,216
Health		453	453	453	453	453	453	453	453	453	453	453	453	453	5,759	6,104
		552	552	552	552	552	552	552	552	552	552	552	552	552	8,788	9,857
Economic and environmental services																
Planning and development		11,997	11,997	11,997	11,997	11,997	11,997	11,997	11,997	11,997	11,997	11,997	11,997	11,997	137,299	145,174
Road transport		9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	9,579	106,863	110,857
Environmental protection		2,418	2,418	2,418	2,418	2,418	2,418	2,418	2,418	2,418	2,418	2,418	2,418	2,418	30,636	34,317
Trading services																
Energy sources		25,373	25,373	25,373	25,373	25,373	25,373	25,373	25,373	25,373	25,373	25,373	25,373	25,373	311,626	318,269
Water management		22,339	22,339	22,339	22,339	22,339	22,339	22,339	22,339	22,339	22,339	22,339	22,339	22,339	273,035	277,363
Waste water management		112	112	112	112	112	112	112	112	112	112	112	112	112	1,419	1,505
Waste management		2,922	2,922	2,922	2,922	2,922	2,922	2,922	2,922	2,922	2,922	2,922	2,922	2,922	37,171	39,402
Other		331	331	331	331	331	331	331	331	331	331	331	331	331	4,206	4,457
Total Expenditure - Functional		66,880	66,880	66,880	66,880	66,880	66,880	66,880	66,880	66,880	66,880	66,880	66,880	66,880	816,607	852,961
Surplus/(Deficit) before assoc.		3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	52,732	48,565
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)		3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	3,637	52,732	48,565
References																
1. Surplus (Deficit) must reconcile with Budgeted Financial Performance																

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KZN238 Alfred Duma - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	
R thousand																	
Multi-year expenditure to be appropriated	1																
	Vote 1 - Executive and Council																
	Vote 2 - Corporate Services																
	Vote 3 - Finance																
	Vote 4 - Public Works and Services																
	Vote 5 - Community Services																
	Vote 6 - Electrical Services																
	Vote 7 - Development, Planning and Human Settlements																
	Vote 8 - NULL																
	Vote 9 - Balance Sheet Account																
	Vote 10 - Null																
	Vote 11 - Null																
	Vote 12 - Null																
	Vote 13 - Null																
	Vote 14 - Null																
Vote 15 - Null																	
Capital multi-year expenditure sub-total	2																
Single-year expenditure to be appropriated	2																
	Vote 1 - Executive and Council	41	41	41	41	41	41	41	41	41	41	41	41	498	528	569	
	Vote 2 - Corporate Services	47	47	47	47	47	47	47	47	47	47	47	47	560	594	629	
	Vote 3 - Finance	27	27	27	27	27	27	27	27	27	27	27	27	326	346	366	
	Vote 4 - Public Works and Services	4,065	4,065	4,065	4,065	4,065	4,065	4,065	4,065	4,065	4,065	4,065	4,065	48,765	61,363	77,472	
	Vote 5 - Community Services	1,198	1,198	1,198	1,198	1,198	1,198	1,198	1,198	1,198	1,198	1,198	2,907	16,086	11,400	12,424	
	Vote 6 - Electrical Services	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	1,755	4,041	23,351	15,569	15,073	
	Vote 7 - Development, Planning and Human Settlements	3	3	3	3	3	3	3	3	3	3	3	3	31	104,720	50,035	
	Vote 8 - NULL																
	Vote 9 - Balance Sheet Account																
	Vote 10 - Null																
	Vote 11 - Null																
	Vote 12 - Null																
	Vote 13 - Null																
	Vote 14 - Null																
Vote 15 - Null																	
Capital single-year expenditure sub-total	2	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,137	89,637	194,518	156,558	
Total Capital Expenditure	2	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,137	89,637	194,518	156,558	

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

KZN238 Alfred Duma - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

R thousand	Ref	Description	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
1		Capital Expenditure - Functional															
		Governance and administration	952	952	952	952	952	952	952	952	952	952	952	912	11,389	11,472	13,560
		Executive and council	40	40	40	40	40	40	40	40	40	40	40	(0)	443	469	497
		Finance and administration	908	908	908	908	908	908	908	908	908	908	908	908	10,891	10,944	13,001
		Internal audit	5	5	5	5	5	5	5	5	5	5	5	5	55	58	62
		Community and public safety	358	358	358	358	358	358	358	358	358	358	358	358	4,292	1,310	328
		Community and social services	347	347	347	347	347	347	347	347	347	347	347	347	4,168	178	189
		Sport and recreation	10	10	10	10	10	10	10	10	10	10	10	10	124	1,131	139
		Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Economic and environmental services	3,861	3,861	3,861	3,861	3,861	3,861	3,861	3,861	3,861	3,861	3,861	3,861	46,337	166,147	114,246
		Planning and development	3,356	3,356	3,356	3,356	3,356	3,356	3,356	3,356	3,356	3,356	3,356	3,356	40,277	166,083	114,178
		Road transport	505	505	505	505	505	505	505	505	505	505	505	505	6,060	64	67
		Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Trading services	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302	2,302	27,620	15,590	28,424
2		Energy sources	1,946	1,946	1,946	1,946	1,946	1,946	1,946	1,946	1,946	1,946	1,946	1,946	23,351	15,569	15,073
		Water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Waste water management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Waste management	356	356	356	356	356	356	356	356	356	356	356	356	4,269	21	13,351
		Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Total Capital Expenditure - Functional	7,473	7,473	7,473	7,473	7,473	7,473	7,473	7,473	7,473	7,473	7,473	7,433	89,638	194,518	156,558
		Funded by:															
		National Government	20,916			15,000		20,916			20,916			0	77,749	74,329	77,107
		Provincial Government															
		District Municipality															
		Other transfers and grants															
		Transfers recognised - capital	20,916	-	-	15,000	-	20,916	-	-	20,916	-	-	0	77,749	157,016	127,107
		Public contributions & donations															
		Borrowing															
		Internally generated funds	991	991	991	991	991	991	991	991	991	991	991	991	11,889	23,002	27,451
		Total Capital Funding	21,907	991	991	15,991	991	21,907	991	991	21,907	991	991	991	89,638	194,518	156,558

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates

2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

check

MONTHLY CASH FLOWS

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash Receipts By Source															
Property rates	11,538	11,538	11,538	11,538	11,538	11,538	11,538	11,538	11,538	11,538	11,538	11,538	1	136,453	187,488
Service charges - electricity revenue	26,161	26,161	26,161	26,161	26,161	26,161	26,161	26,161	26,161	26,161	26,161	26,161	136,453	176,875	187,488
Service charges - water revenue	-	-	-	-	-	-	-	-	-	-	-	-	301,427	317,515	321,167
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	1,156	1,156	1,156	1,156	1,156	1,156	1,156	1,156	1,156	1,156	1,156	1,156	-	-	-
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	232	232	232	232	232	232	232	232	232	232	232	232	13,870	24,692	26,173
Interest earned - external investments	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	2,784	2,948	3,119
Interest earned - outstanding debts	228	228	228	228	228	228	228	228	228	228	228	228	15,078	15,966	16,692
Dividends received	-	-	-	-	-	-	-	-	-	-	-	(2,509)	-	-	-
Fines, penalties and forfeits	590	590	590	590	590	590	590	590	590	590	590	590	-	-	-
Licences and permits	504	504	504	504	504	504	504	504	504	504	504	504	7,077	16,370	17,739
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	6,047	6,404	6,775
Transfer receipts - operational	17,663	17,663	17,663	17,663	17,663	17,663	17,663	17,663	17,663	17,663	17,663	17,663	212,960	221,686	-
Other revenue	388	388	388	388	388	388	388	388	388	388	388	388	4,656	3,872	4,597
Cash Receipts by Source	59,716	59,716	59,716	59,716	59,716	59,716	59,716	59,716	59,716	59,716	59,716	45,477	702,352	786,939	815,869
Other Cash Flows by Source	6,479	6,479	6,479	6,479	6,479	6,479	6,479	6,479	6,479	6,479	6,479	6,479	77,749	74,329	77,107
Transfer receipts - capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	(66)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	(156,501)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debts	-	-	-	-	-	-	-	-	-	-	-	66	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	156,501	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	(90,372)	66,195	66,195	66,195	66,195	66,195	66,195	66,195	66,195	66,195	66,195	208,523	780,101	861,268	892,976
Cash Payments by Type															
Employee related costs	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854	22,854	274,252	290,480	307,654
Remuneration of councillors	2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062	2,062	24,739	26,223	27,797
Finance charges	41	41	41	41	41	41	41	41	41	41	41	41	2,056	2,138	2,195
Bulk purchases - Electricity	17,012	17,012	17,012	17,012	17,012	17,012	17,012	17,012	17,012	17,012	17,012	17,012	204,142	205,163	206,188
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	7,891	7,891	7,891	7,891	7,891	7,891	7,891	7,891	7,891	7,891	7,891	7,891	94,696	112,439	118,457
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	926	926	926	926	926	926	926	926	926	926	926	926	11,107	6,661	-
Other expenditure	6,489	6,489	6,489	6,489	6,489	6,489	6,489	6,489	6,489	6,489	6,489	6,489	77,873	78,281	81,126
Cash Payments by Type	57,275	57,275	57,275	57,275	57,275	57,275	57,275	57,275	57,275	57,275	57,275	58,842	688,865	721,395	750,194
Other Cash Flows/Payments by Type	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,137	7,137	11,133	88,638	194,518	156,556
Capital assets	26	26	27	26	28	27	27	30	27	28	28	751	1,051	391	362
Repayment of borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	64,437	64,438	64,439	64,438	64,439	64,438	64,439	64,442	64,439	64,440	64,439	70,726	779,553	916,304	907,115
NET INCREASE/(DECREASE) IN CASH HELD	(154,809)	1,757	1,756	1,757	1,756	1,757	1,756	1,753	1,756	1,755	1,756	137,797	547	(55,037)	(14,138)

Cash/cash equivalents at the month/year begin:	223,245	68,436	70,193	70,193	71,949	71,949	73,706	73,706	75,462	75,462	77,219	77,219	78,975	80,728	80,728	82,484	82,484	84,239	84,239	85,995	85,995	223,792	223,792	223,245	223,792	168,755	168,755
Cash/cash equivalents at the month/year end:	68,436	70,193	71,949	73,706	75,462	77,219	78,975	80,728	82,484	84,239	85,995	223,792	223,792	223,245	223,792	168,755	168,755	154,617									
References																											

1. Note that this section of Table SA 30 is deliberately not linked to Table A4 because fixing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure. However for the MTREF it is now directly linked to A7.

KZN238 Alfred Duma - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand

References

1. Total agreement period from commencement until end
2. Annual value

KZN238 Alfred Duma - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2016/17	2017/18 Medium Term Revenue & Expenditure Framework			Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Total Contract Value
				Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20								
R thousand	1,3	Total	Original Budget				Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:	2													
Revenue Obligation By Contract														
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Revenue Implication														
Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Expenditure Implication														
Capital Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
Total Capital Expenditure Implication														
Total Parent Expenditure Implication														
Entities:														
Revenue Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Revenue Implication														
Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
Total Operating Expenditure Implication														
Capital Expenditure Obligation By Contract	2													
Contract 1														
Contract 2														
Contract 3 etc														
Total Capital Expenditure Implication														
Total Entity Expenditure Implication														
References														

1. Total implication for all preceding years to be summed and total stated in Preceding Years' column

2. List all contracts with future financial obligations beyond the three years covered by the MTRF (MFMA s33)

3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million

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Biological or Cultivated Assets										
Biological or Cultivated Assets										
Intangible Assets										
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Land Settlement Software Applications										
Unspecified										
Computer Equipment										
Computer Equipment										
Furniture and Office Equipment										
Furniture and Office Equipment								1,889	2,002	2,122
								1,889	2,002	2,122
Machinery and Equipment										
Machinery and Equipment								10,000	10,000	12,000
								10,000	10,000	12,000
Transport Assets										
Transport Assets										
Libraries										
Libraries										
Zoo's, Marine and Non-biological Animals										
Zoo's, Marine and Non-biological Animals										
Total Capital Expenditure on new assets	1							83,804	132,516	98,451

References

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on upgrading of existing assets (SA34e) must reconcile to total capital

check balance

-94,894,934 -108,916,182 -850,388,292 436,147,431 102,879,690 -96,067,460

Halls	-	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-	-
Critches	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-	-
First Aid/Ambulance Stations	-	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-	-
Absellots	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	6,000	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	6,000	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-	-
Land Settlement Software Applications	-	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	-	-	-	-	-	-	395,000	60,000	-
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	82.6%	31.2%	0.0%
Renewal of Existing Assets as % of deprcn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	572.6%	82.0%	0.0%

References

1. Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on upgrading of existing assets (SA34c) must reconcile to total capital ex

check balance

-94,894,934 -108,916,182 -850,358,292 436,147,431 102,879,690 -96,087,480

KZN238 Alfred Duma - Supporting Table SA34c Repairs and maintenance expenditure by asset class

[illegible]

166(a)

[illegible]

1 Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1

check balance

68,445	4,107	3,060
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KZN238 Alfred Duma - Supporting Table SA34d Depreciation by asset class

[illegible]

167(c)

Biological or Cultivated Assets										
Intangible Assets										
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licenses										
Solid Waste Licenses										
Computer Software and Applications										
Land Settlement Software Applications										
Unspecified										
Computer Equipment										
Computer Equipment										
Furniture and Office Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Machinery and Equipment										
Transport Assets										
Transport Assets										
Libraries										
Libraries										
Zoo's, Marine and Non-biological Animals										
Zoo's, Marine and Non-biological Animals										
Total Depreciation	1	-	-	-	-	-	-	68,994	73,133	77,521

References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.

Check	-	-	-	(81,477)	(78,080)	(50,824)	31,025	1,659	1,758
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Halls	-	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Consulates/Consulates	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-	-
Public Abolition Facilities	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-
Test Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-	-
Effluent Licences	-	-	-	-	-	-	-	-	-	-
Solid Waste Licences	-	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-	-
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	-	-	-	-	-	-	-	-	-
Upgrading of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Upgrading of Existing Assets as % of deprecn		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Reference										

1. Total Capital Expenditure on upgrading of existing assets (SA34a) plus Total Capital Expenditure on new assets (SA34b) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital exp

check balance

-94,894,934 -108,916,182 -850,368,262 436,147,431 102,879,690 -96,067,480

KZN238 Alfred Duma - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive and Council		498	528	559				
Vote 2 - Corporate Services		560	594	629				
Vote 3 - Finance		326	346	366				
Vote 4 - Public Works and Services		48,785	61,363	77,472				
Vote 5 - Community Services		16,086	11,400	12,424				
Vote 6 - Electrical Services		23,351	15,569	15,073				
Vote 7 - Development, Planning and Human Settlements		31	104,720	50,035				
Vote 8 - NULL		-	-	-				
Vote 9 - Balance Sheet Account		-	-	-				
Vote 10 - Null		-	-	-				
Vote 11 - Null		-	-	-				
Vote 12 - Null		-	-	-				
Vote 13 - Null		-	-	-				
Vote 14 - Null		-	-	-				
Vote 15 - Null		-	-	-				
List entity summary if applicable								
Total Capital Expenditure		89,637	194,518	156,558	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Executive and Council								
Vote 2 - Corporate Services								
Vote 3 - Finance								
Vote 4 - Public Works and Services								
Vote 5 - Community Services								
Vote 6 - Electrical Services								
Vote 7 - Development, Planning and Human Settlements								
Vote 8 - NULL								
Vote 9 - Balance Sheet Account								
Vote 10 - Null								
Vote 11 - Null								
Vote 12 - Null								
Vote 13 - Null								
Vote 14 - Null								
Vote 15 - Null								
List entity summary if applicable								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		89,637	194,518	156,558	-	-	-	-

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

KZY238 Alfred Duma - Supporting Table SA336 Detailed capital budget

Municipal Vot/Capital project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project Information	
										Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location	New or renewed
R 800,000	4					3	3									
Parent municipality: List all capital projects grouped by Municipal Vot																
STREETLIGHTS																
KWAMNANGENI ROAD					No	Electrical Infrastructure	Electricity Generation Facilities	28.3274526S, 28.565709E					1 500			
TARRED ROAD WARD 3					No	Roads Infrastructure	Roads	28°38'08.75"S, 28°54'45.85"E					6 000			
MINI FACILITY WARD 4					No	Community Facilities	Halls						10 000			
HIGHMAST LIGHT WARD 27					No	Electrical Infrastructure	Power Plants	-28°35'48.9"S, 28°54'48.0"E					2 000			
HIGHMAST LIGHT WARD 7					No	Electrical Infrastructure	Power Plants	28°34'21.5"S, 28°54'07.3"E					1 500			
COMMUNITY HALL WARD 8					No	Community Facilities	Halls	28°40'02"S, 28°53'13"E					4 000			
ELECTRIFICATION OF CREMIN PHASE 2					No	Electrical Infrastructure	Capital Spares	-28°28'18.47"S, 28°53'54.10"E					3 000			
BURFORD SPORTFIELD PHASE 2					No	Sport and Recreation Facilities	Outdoor Facilities						2 000			
ELECTRIFICATION OF PEPPORTH					No	Electrical Infrastructure	Capital Spares	28.582407°S, 28.944301°E					7 700			
ELECTRIFICATION OF BURFORD					No	Electrical Infrastructure	MV Networks	28°24'16.42°S, 28°42'03.763°E					4 300			
STREETLIGHTING IN ERINGIN					No	Electrical Infrastructure	MV Networks	-28 22 54.9 S, 28 37 28.6 E					1 500			
INSTALLATION OF HIGHMAST LIGHTS IN WARD 19					No	Electrical Infrastructure	MV Networks	28°34'21.5"S, 28°54'07.3"E					1 500			
LANDFILL SITE					No	Solid Waste Infrastructure	Waste Processing Facilities						4 249			
ZIMBA GRAVEL ROAD					No	Roads Infrastructure	Road Structures						13 000			
OTHER ATTACHED AS ANEXTURE					No	Roads Infrastructure	Road Structures	28°38'44.67°S, 28°128.88°E					24 000			
Parent Capital expenditure	1												57 749			
Entity A:																
List all capital projects grouped by Entity																
Entity A																
Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure																
Total Capital expenditure																
											</					

Check

168(b)

KZN238 Alfred Duma - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project R thousand	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	2017/18 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year +1 2018/19
Parent municipality: List all capital projects grouped by Municipal Vote				Examples	Examples		Year			
Entities: List all capital projects grouped by Municipal Entity										
Entity Name Project name										

References:

1. List all projects with planned completion dates in current year that have been re-budgeted in the MTREF
2. Refer MFMA s30
3. As per Table SA34
4. Correct to seconds. Provide a logical starting point on networked infrastructure.

168(c)

KZN238 Alfred Duma - Supporting Table SA38 Consolidated detailed operational projects

KZN200 Ruled Data - supporting 1 Part 3000 Consolidated General Operational Projects															
Municipal Year/Operational project	Ref	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/no)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project Information
R thousand	4			2	8			5		Audited Outcome 2016/17	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location
Parent municipality: List all operational projects grouped by Municipal Year					No										
Parent operational expenditure	1														
Entity: List all operational projects grouped by Entity															
Entity A Water project A															
Entity B Electricity project B															
Entity Operational expenditure															
Total Operational expenditure															

References

1. Must reconcile with Budgeted Operating Expenditure
2. As per Table SAS
3. Projects that fall below the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by programme by Vote
4. Projects that fall below the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by programme by Vote
5. Correct to second. Provide a logical starting point on watershed infrastructure.
6. Distinguish projects approved in terms of MFMA section 18(1)(b) and MPRR Regulation 13

Check

168(d)

GPS CO-ORDINATES – 2017/2018 FINANCIAL YEAR
PROJECTS

*

NO.	PROJECT DESCRIPTION	GPS CO-ORDINATES
1.	INSTALLATION OF STREET LIGHTS IN BLUEBANK (WARD 26)	-28.521525S, 29.565769E -28.518470S, 29.564986E -28.518470S, 29.564986E -28.518470S, 29.564986E -28.517782S, 29.559836E -28.515096S, 29.557326E
2.	INSTALLATION OF HIGH MAST LIGHTS IN WARD 7	-28°34'21.5"S, 29°54'07.3"E
3.	INSTALLATION OF HIGH MAST LIGHTS IN WARD 27	-28°35'46.9"S, 29°54'46.0"E
4.	ELECTRIFICATION OF HOUSEHOLDS IN CREMIN (WARD 24) – PHASE II	-28°26'19.40"S; 29°56'54.10"E
5.	ELECTRIFICATION OF HOUSEHOLDS IN PEPWORTH (WARD 14) – PHASE II	-28.562107°S, 29.944391°E -28.547271°S, 29.874039°E -28.494385°S, 29.895879°E -28.441374°S, 29.896027°E
6.	ELECTRIFICATION OF HOUSEHOLDS IN BURFORD (WARD 14) – PHASE II	-28°26'7.02"S, 29°46'57.24"E
7.	INSTALLATION OF STREET LIGHTS IN WARD 18	-28°24'16.125"S, 29°43'03.763"E -28°24'18.304"S, 29°43'11.137"E -28°24'29.316"S, 29°43'25.614"E -28°24'31.890"S, 29°43'39.420"E -28°24'31.332"S, 29°43'30.570"E -28°23'54.246"S, 29°43'08.311"E -28°24'05.191"S, 29°43'27.093"E
8.	INSTALLATION OF HIGH MAST LIGHTS IN ERINGINI (WARD 19)	-28 22 54.9 S, 29 37 26.6 E

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1. Overview of Annual Budget Process

Political Oversight of the Budget Process

The MFMA allocates the Mayor and EXCO with the responsibility of ensuring the budget complies with applicable legislation and considers the needs of the community including:

- Providing political guidance over the budget process and the priorities that guide its preparation,
- Ensuring the budget is tabled and approved on time,
- Ensuring the Service Delivery and Budget Implementation Plan and Annual Performance Agreements are developed and approved, and
- Publicity and consultation on the budget is undertaken.

Schedule of Key Deadlines relating to the Budget Process [MFMA s 21(1) (b)]

Council adopted the Budget/IDP Time schedule in August 2016.

The timetable and process for tabling and approval of the budget is as follows:

ACTION	WHO	WHEN
Strategic Workshop (All Councillors) Budget Steering Committee Meeting Budget Workshop(All Councillors)	EDF EDF EDF	05-07/12/2017 20/03/2017 20/03/2017
Consider tabled Budget	EXCO	23/03/2017 30/03/2017
Public advertisement, press release etc. to community advising of tabled Budget	EDF	04/04/2017
Budget Consultation	EDF /Mayor's Office	02-23/04/2017
Collate feedback from community	EDF/Mayor's Office	April 2017
EXCO to consider budget and community feedback	EXCO	25 May 2017
Council considers Budget and reviews draft SDBIP's and Performance Agreements	Council	31 May 2017

Process used to Integrate the Review of the IDP & Preparation of the Budget

The Time Schedule adopted by Council in August 2016 provides for an integrated Budget and IDP Preparation Process.

Additionally, the introduction of the Service Delivery and Budget Implementation Plans has enhanced matching of IDP priorities to the operational and capital budget, as well as setting performance targets for IDP objectives.

However, actual integration of the IDP and Budget process, including review by elected members and the community of the IDP strategies and priorities and translating these to the budget requires improvement, particularly in terms of capital programmes. Understanding of community members that the IDP is not a “wish-list” and is based on limited funds available remains a challenge.

Models used for Prioritising Resource Allocation

Community participation is an effective method of identifying priorities, but it is also critical to develop an IDP Prioritisation/Project Evaluation model for determining budget allocations. This model would take into account community needs, project profiles and assessment, available resources, strategic planning, national, provincial and local policy and good municipal management. Development and approval of Financial Planning and Annual IDP Review Guidelines will also assist this process.

Consultation

In accordance with the Municipal Systems Act and the Municipal Financial Management Act, consultation will be undertaken with the local community primarily through public meetings in wards.

Copies of the draft budget will be provided to other levels of government for their review and comment.

2. Overview of alignment of annual budget with Integrated Development Plan

The IDP is undergoing review as required by the Municipal Systems Act and the MFMA. There is little change to the status quo and much of the information is deduced from the 2011 statistics. National Treasury has aligned the information obtained from Statistics South Africa with that of the Local Government Equitable Share Grant that is given to municipalities.

Unlike the previous process, there has been consideration given to issues raised in Local Government Summits such as:

- Cooperative Governance
- Women, youth, and disabled persons
- The role of infrastructure in poverty alleviation

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- The relationship between Traditional Leadership and Municipalities – The Budget for 2017/18 also includes Amakhosi.

The above issues have now been identified in the IDP but still require further and serious attention.

The revised Spatial Development Framework has been incorporated and should serve as a vision for Council's development programme. The Economic, Tourism and Agricultural plans have also been incorporated in the IDP.

There is now convergence and understanding from all role-players that the IDP should inform the budget process. The needs appearing on the IDP have been devised into programs that influence the allocation of the Capital Budget.

The budget will translate community inputs into a programme of action for the next three years. Therefore this budget should in essence address the following key priority issues as determined by the Community in the IDP:

- | | |
|------------------------|-----------------------|
| • Roads | • Unemployment |
| • Community Facilities | • Refuse Removal |
| • Bridges | • Community Safety |
| • Poverty Alleviation | • Skills Development |
| • Storm Water | • Information Signage |
| • Aesthetics | • Housing Projects |
| • Soil Erosion | |
| • Electricity | |

Council acknowledges that the IDP has guided the Budget Process.

It is important that plans are within the financial capacity of the Alfred Duma. Supporting tables SA4 to SA6 shows the high level link between the Budget and the IDP.

3. Measureable Performance Objective and indicators

Annual measurable performance objectives for each revenue source and for by expenditure vote are provided for in **Supporting Table SA 7**.

Annual performance objectives will be converted into quarterly targets for the Service Delivery and Budget Implementation Plan (SDBIP).

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information.

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4. Overview of Budget Related Policies

Listed below are the Municipality's budget related policies. These policies are available from the Municipality on request and are available for inspection on the website.

Current Budget Related Policies:

- Credit Control, Debt Collection and Customer Care Policy
- Indigent Policy
- Cash Management and Investment Policy
- Supply Chain Management Policy
- Tariffs Policy
- Property Rates Policy
- Virements Policy
- Assets Management Policy
- Inventory Policy
- Petty Cash Management Policy
- Subsistence and Travelling Policy
- Funding, Reserves and Provision Policy
- Budget Policy

5. Overview of Budget Assumptions

This section provides information on the assumptions used in preparing the budget. In most cases, the information is provided for in the 2017/2018 budget year, and generally the same assumptions are being applied to the 2 projected outer years.

General Inflation Outlook and its Impact on Municipal Activities

The 2017 medium term outlook for the South African economy remains stable with the general inflation forecast advised by National Treasury projected at an average of 6% for the three year forecast period. Higher inflation and weaker employment growth will impact on the ability of the municipality to generate and collect revenue on services, to keep expenditure within budgeted allocations. The economic outlook has deteriorated since the medium term budget policy statement published in October 2015. This is mainly because global conditions have exposed South Africa's own economic weaknesses, with projected GDP growth revised down to 0.9 per cent for 2016.

The country has experienced a decline in mining growth and weakened agricultural outputs as a result of the drought while growth in transport and telecommunications, electricity, gas and water have declined because of weakened demand.

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The Consumer Price Index (CPI) inflation has however breached the upper limit of the 3 to 6 percent target band. Circular 86 issued by National Treasury estimates inflation for 2017 at 6.4% and the municipality is required to justify increases in excess of the 6.4%. Therefore the 2017/18 Municipal tariff increases of 6% for refuse is reasonable considering the unpredictability of the inflation rate, as well as the increases in labour costs of 7%. The rates income is budgeted to increase by 10% and the rates income % increase for 2017/2018 is largely influenced by the new General Valuation roll. The municipality is working towards ensuring that services are able to fund itself. The increase for electricity tariffs is controlled by NERSA. This increase is in terms of the guideline issued by National Treasury. The municipality will implement an increase of 1.88% for the domestic and commercial consumer and 0.31% for bulk consumers, in line with NERSA guidelines.

The 10% increase in rates income means that the rates tariffs will be aligned to obtain an overall increase of 10% in the rates income of the municipality, which is reasonable considering that inflation for 2017 is projected at 6.4% and there will be increased values with the implementation of the new General Valuation Roll.

Credit Rating Outlook

A new financial analysis needs to be undertaken for the new municipality as well as a review of the credit rating.

Interest Rates for Borrowing and Investment of Funds

The Alfred Duma Local Municipality has two loans. One loan is ABSA Bank for Tsakane Electrification, at an interest rate of 12.01 %. The current prime lending rate is 10.50%. The redeemable date of this loan is February 2026. The other loan is from DBSA and bears interest between 5.0% per annum. The redeemable date is 30 September 2028.

Rates, Tariffs, Charges and Timing of Revenue Collection

Accounts for rates, refuse and electricity are issued on a monthly basis and are due and payable within 30 days of issue. Recovery procedures for non-payment may be commenced within 1 day of payment default.

Property Rates Base of the Municipality

The rate base of the Alfred Duma is in line with the implementation of the Municipal Property Rates Act.

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Collection rates for each Revenue Source

The collection of revenue remains a fundamental funding source of this budget. 66% of the budget is funded by our own contributions this year. Therefore a robust credit control strategy is necessary to ensure collection of funds. Insufficient collection of revenue will have a direct impact on the cash flow of the municipality and therefore credit control measures must be strictly implemented by the municipality.

Price Movements on Specifics e.g. Bulk Purchases of Electricity, Fuel etc.

Eskom has announced an increase of 0.31%, and this will be applied to the bulk purchase of electricity.

Average Salary Increases

As per Circular No. 2/2017 from SALGBC the salary increase is 7.36% for officials. The councillors remuneration is also budgeted at 7.36%, however the actual final percentage increase is normally finalized in December for Councillors Allowances.

Industrial Relations Climate, Reorganisation and Capacity Building

The industrial relations climate in the Alfred Duma Municipality is sound, as most of the outstanding issues such as restructuring; the placement of staff and the job evaluation processes are in progress. A good working relationship exists between management and unions.

Capacity building will be undertaken through the Skills Development Plan, which will be updated and submitted to all relevant parties on an annual basis. Employment Equity plans also makes provision for upward mobility as a means of capacity building.

Indigency and Free Basic Services

The indigency method will now be fully on an application basis. In total, indigent households will receive an estimated R 16.7 million in financial relief. However this is dependent on the applications received that qualify for indigency.

All indigent consumers receive free basic electricity in the amount of 50kWh per month and R 8.2 million has been budgeted for this in the 2017/2018 budget year. R 700 thousand has been budgeted for free basic alternate energy which will be distributed to the communities that do not have access to the electricity network.

All indigent households currently receive a free refuse service, which is valued at around R3.6 million in the 2017/2018 financial year.

Impact of National, Provincial and Local Policies

Strengthening the link between policy priorities and public expenditure is the core of medium term budgeting. Public expenditure translates policy priorities into delivery of services to our community and therefore is a key tool for accomplishing public goals.

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One of the key national priorities is the improvement and accessibility of services to the community, which incorporates the need to create new and rehabilitate existing infrastructure. The provision of basic infrastructure to disadvantaged communities remains a key requirement.

It is important that within the Municipal budget, new proposals for both the operating and capital budget demonstrate a clear link between their expected outputs and key government objectives including national, provincial and local priorities.

Our IDP is aligned to the National Key Performance Areas and Objectives, the priorities arising from the recent community consultation are listed as part of the tabled capital budget.

Sale of Electricity and Impact of Tariff Increases

An increase of 0.31 per cent in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2017.

Considering the Eskom increases, the bulk consumer tariff had to be increased by 0.31 per cent to offset the additional bulk purchase cost from 1 July 2017. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption. This poses a direct threat on the revenue base of the municipality. Domestic and commercial consumers will see an increase of 1.88%.

Registered indigents will again be granted 50 kWh per a 30-day period free of charge with circuit breaker amperage restricted to 20 amps.

It should further be noted that NERSA had advised that a stepped tariff structure needs to be implemented from 1 July 2011. The effect thereof is that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor). The municipality appointed a consultant to revise and restructure the electricity tariffs. The tariffs still need to approve by NERSA.

The inadequate electricity bulk capacity and the impact on service delivery and development remains a challenge for the municipality. Most of the suburbs and inner municipal reticulation network was designed or strengthened in the early 1980's with an expected 20-25 year life-expectancy. The upgrading of the municipality's electricity network has therefore become a strategic priority, especially the substations and transmission lines.

The approved budget for the Electricity Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply). It is estimated that special funding for electricity bulk infrastructure to the amount of R400 million per year will be necessary to steer the municipality out of this predicament.

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Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers. As part of the 2017/18 medium-term capital programme, funding has been allocated to electricity infrastructure but these funding levels will require further investigation as part of the next budget cycle in an attempt to source more funding to ensure this risk is mitigated.

The municipality continues to increase its provision of street lighting in areas that are much in need of this resource. The municipality has budgeted for repairs and maintenance of electrical infrastructure equivalent to 6% of electricity revenue in line with the NERSA guideline.

Ability of the Municipality to Spend and Deliver on its Programmes

A number of factors impact on the ability of service delivery departments to deliver on programmes. These issues and risks are mainly focused on the lack of adequate resources and planning and include:

Staffing – Skill Shortages

Our municipality continues to lose skilled technical staff when competing with bigger municipalities. There is a shortage of skilled and experienced Technical Staff, as well as Artisans/Operators. When vacant posts are advertised, the experienced and skilled incumbents do not apply, as the salary scales in smaller towns are not attractive.

Staffing - Staff Shortages

Competing priorities within the organisation with skill and staff shortages can also severely affect the ability of the municipality to deliver, as is the case with too few electricians being available and required for both electrical functions, as well as providing credit control through disconnections.

To alleviate these problems, Council needs to consider implementing Learnerships as well as Contractor Development Programmes to enable and implement Capital and Maintenance Programmes, as skill levels in the community are limited. A skills analysis exercise is to be undertaken by Corporate Services.

Plant and Equipment

The average age of the vehicles can be well over 10 years and the average age of heavy plant can be 20 years. There are constant breakdowns, which are affecting service delivery. Small equipment is old and needs to be replaced as the breakdowns also affect service delivery. The capital budget of R10 million for plant and equipment is insufficient for renewal of existing heavy plant and purchase of additional vehicles and plant.

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Planning and Direction

Development of a fair and appropriate model for resource allocation and commitment to long term planning will improve the ability of the Municipality to deliver and sustain services and infrastructure. Clear and consistent policy from Council assists in speedy service delivery for the entire community. Policies are constantly developed, and revised when necessary.

Legislation and Organisational Change

New Legislation has resulted in change of operational procedures and new processes have to be put in place. A significant change is impending in the financial reform MSCOA which must be implemented from 1 July 2017. Job evaluations are in progress. Furthermore the new municipality is a newly formed organisation and various new operational issues continue to arise.

Powers and Functions

Powers and Functions have caused some delays in finalizing issues as more than one organ of state is involved in approval e.g. the budget is dependent on the release of the DORA (Division of Revenue Act), as well as National Treasury guidelines on the budget, and review by Provincial Treasury.

6. Overview of Budget Funding

Fiscal Overview

Although the budget is funded, the availability of projected cash resources is dependent on the regular monitoring of cash flow, expenditure and collection of revenue.

One of the challenges the Municipality faces is improving debt collection for those ratepayers who can afford to pay. The credit control unit is an integral unit to ensure the debt is collected and any uncollectable debt is written off.

It is important that the Credit Control policy with regard to indigency is monitored and reviewed to ensure that the policy is fair, addresses the needs of the poor, and is efficient and cost effective to administer. It is also an important responsibility of the Council to ensure that the policy with regard to debt collection is applied fairly but rigorously so that those who can afford to pay do so. The support of Council in increasing public awareness of the impact of not paying for service is important.

Another major challenge the municipality faces is in terms of funding assets and equipment. There is insufficient funding allocated to maintenance and replacement of existing assets and plant. As a developmental municipality, we have a duty to provide

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new assets to those communities who are asset poor. Adding to the asset base further exacerbates the maintenance issue and it is not sustainable within current budgeting techniques.

In terms of the MFMA and GRAP, for a credible budget, all depreciation should be included as an expense to build funds for maintenance and replacement of assets. R34.1 million is provided for depreciation in the budget but it is vital that we continue to progressively increase depreciation funding in the budget so that in the medium to long term, we are compliant with legislation and have provided for the maintenance and replacement of existing assets. A total of R80.8 million is the total amount that is included in the schedules to National Treasury. This is a non cash item.

Another aspect of capital planning which needs to be improved is providing the full cost implications for capital projects including operating, staff, maintenance, and asset replacement costs. It is important that the Council know the full life cycle cost of an asset when budgeting for it, as it will have future budgetary implications and the project will impact on current and future tariffs.

Much of the Municipality's plant fleet is old and spends more time in the workshop than in providing service delivery. Hire of heavy plant and maintenance and downtime of plant is a major cost. In recognition of this dilemma, R10 million has been directed towards plant and equipment purchases for 2017/18. A medium to long-term plan for the replacement of plant and equipment needs to be developed and continued Council commitment to funding this plan is important to ensure wider and more efficient service delivery.

These issues can be addressed by moving toward a longer-term outlook for all planning including capital and asset planning. Deciding on capital projects just before the beginning of the financial year puts great risk on the ability of the service departments to complete all the necessary processes and finalise the project within any financial year. By committing to 3 -5 year capital plans, the Council improves the ability to deliver as lead times enable proper planning. Longer term planning also enables the Council to demonstrate to the community that while there are completing priorities with insufficient funds, their needs are being catered for in the medium term.

To expand and sustain services is also essential to limit staff costs and contain them within a reasonable percentage of the budget. New staffing must be assessed in the light of providing on the ground service delivery and current staff assessed as to how efficiencies can be gained. Developing and recruiting the right level of skills continues to be a challenging issue, however, with the implementation of the CPMD course, this gives employees the opportunity to have a vast knowledge of the Municipality.

Sources of Funding

Rates, Tariffs and Other Charges

Details of Rates tariffs are provided in the Rate Resolutions in Section 2 of this document. Details for Refuse tariffs for which the increase is 6 % and for electricity

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charges, the increase is 1.88% for domestic and commercial consumers and 0.31% for bulk consumers and the minor tariffs and other charges are provided in the **Tariff Policy – Annexure 1**.

An increase of 10% above the projected inflation of 6.4% on property rates income is based on the new general valuation roll and supplementary valuation. The property rates tariffs are aligned to an overall 10% increase in rates income to ensure that the tariffs and rates accounts owed will not cause a rates shock to consumers because of the new general valuation roll.

Refuse tariffs were increased by 6% based on the costs of refuse removal.

Changes to minor tariffs are reflected in the attached document - **Annexure 1**. Most minor tariffs have been increased in line with the inflation rate and to cater for the costs of providing the services.

Performance Indicators for each major tariff are provided in **Supporting Table SA 8**.

Investments – Cash Backed Accumulated Surplus

The Municipality's own funds currently are in the primary account of the Municipality and a portion of these funds have been invested as detailed in **Supporting Tables SA 16 and SA17**. The municipality has numerous call accounts for its grant funds and funds for specific projects such as the Valuations exercise. Cash funds need to be applied to commitments such as current provisions e.g. Leave provision, long-service awards etc.

Interest and the principal on all municipal borrowings are repaid at intervals determined in the loan agreement and included in the budget. Therefore, sinking funds to repay the principal debt at the end of the loan period is not required. However, this option will need to be reconsidered should the municipality decide to access a loan to finance the capital budget.

Housing funds are held in trust on behalf of the Department of Housing and are separately invested.

Grant Allocations

Supporting Table SA 18 details gazetted grant allocations for 2016/2017, the current year, 2017/2018 and the outer 2 budget years.

Each of the grants provided by **National Government** is listed below with a brief description of the use of the grant and other relevant information:

1. The **Local Government Equitable Share Grant** is a non-conditional Grant which is used towards addressing service delivery backlogs and providing a 'social package' to the poor in terms of free basic electricity and refuse and free alternative energy.

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2. The **Financial Management Grant** is used to promote and support reforms to financial management and implementation of the MFMA. Primary areas of focus have been the employment of Financial Interns, systems improvement for legislative and Accounting Standard compliance, and addressing finance capacity issues through external staff training. It is planned to use all retained and future FMG funds towards funding intern positions in the Finance Departments organogram in the medium term and developing Information Technology requirements, such as the Supply Chain Management Supplier Database. Reporting on expenditure is provided monthly to National Government within the required timeframe and in full compliance with DoRA.
3. The **Municipal Infrastructure Grant** supplements the Municipality's capital budget to eradicate backlogs in infrastructure. MIG projects are prioritised using the IDP and business plans submitted to DPLG for approval.
4. The **Integrated National Electrification Programme** provides capital funds to address the electrification backlog of permanently occupied residential dwellings, installation of bulk infrastructure and rehabilitation of infrastructure.
5. The **Demarcation Transition Grant** is to be used for administrative purposes i.e. consolidation of organograms, development of policies, merging of Fixed asset register etc. and other additional costs arising as a result of the merging of the two municipalities.
6. The **Expanded Public Works Programme** is used to expand job creation efforts in specific focus areas, where labour intensive delivery methods can be maximised

Listed below are grants received from **Provincial Government**:

1. Museum Services
2. Community Library Services
3. Provincialisation of Libraries
4. Operational Costs – Accredited Municipalities
5. Schemes Support Programme
6. Development Planning and Shared Services

Borrowing

Supporting Table SA 17 provides details of borrowing in the previous and current years and projections for the 2017/2018 and the outer 2 budget years.

This borrowing programme is based around the projection of the 3 -Year Financial Model provided with the budget, which uses financial assumptions and trends to assist in estimating the levels of affordable capital programmes that may be provided over the next three years. Both interest and redemption are budgeted for in the model. Naturally if any assumptions in the model change, it will affect the overall picture.

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Long-term borrowing can only be undertaken for revenue-generating capital programmes only, and there is no anticipated need for short term borrowing as operational expenditure will be funded from revenue and cash.

7. Expenditure on allocations and grants programmes

Expenditure on allocations and grants programmes is detailed in **Supporting Table SA18**.

8. Allocations and Grants Made by the Municipality

There are no allocations to be made by the Municipality for 2017/18 as detailed in **Supporting Tables SA 21**.

9. Councilor and Board Member allowances and employee benefits

Details of personnel and salaries allowances and benefits for Councillors and officials are provided in **Supporting Tables SA 22, & SA 23**.

10. Monthly Targets for Revenue, Expenditure and Cash Flows

Monthly targets for Revenue, Expenditure and Cash Flows are detailed in **Supporting Table SA 30**.

11. Annual Budgets and SDBIPs – Departmental / Functional (Internal)

The MFMA allocates responsibility for the implementation of the approved budget to the Municipal Manager (s 69), who must provide the Mayor with a draft Service Delivery and Budget Implementation Plan (SDBIP) within 14 days of the approval of the Budget.

In line with legislation, the Alfred Duma Municipality will prepare departmental SDBIP's for the budget including capital programmes.

12. Contracts having future budgetary implications

In terms of the Alfred Duma Local Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Bid Adjudication Committees must report on the budget availability and sources of funding.

13. Capital Expenditure Details

The total Capital Budget is R 89.6 million of which R 77.7 million is grant funded and R11.9 million is revenue funded. The municipality is currently looking to finance the capital budget via the previous year's accumulated surpluses, strictly based on the availability of funds. The cash flow of the municipality must be monitored on a regular basis.

Summary of Detailed Capital Plans

Indication of capital plans will be contained in the SDBIP when completed. The capital plans in the SDBIP where possible, provide detail regarding:

- Information by programme and municipal ward
- MIG sector priorities (refuse, electricity, roads, etc.)
- The source of the funding for the capital programme

Supporting table SA 28 shows capital expenditure by municipal vote.

Some of the improvements still required in terms of capital budgeting include identifying the total cost of the capital programme, including such items as operating costs, full depreciation, and maintenance and repair. When identified there should be sufficient budget allocated to cover the costs and future financial and non-financial implications considered including the tariff implications. Approval of the capital budget for the medium term will also enable detailed capital works plans to be prepared which indicate delivery by ward over three years.

14. Legislation Compliance Status

The Municipal Financial Management Act (MFMA) is the most major financial reform in South African Local Government history and forms part of a broader programme in local government reform which includes the Municipal Systems Act, the Municipal Structures Act and the Municipal Property Rates Act.

The Municipality applies monies from the Financial Management Grant towards implementation of the MFMA and capacity building. A MFMA Implementation Plan has been developed and progress is monitored.

The budget process is commenced early in the financial year and is required to be driven by the Mayor and EXCO. A key impact of the MFMA is to move away from a one-year budget to a three-year budget that is linked to the IDP. The budget should be forward looking and provide longer term capital planning to prioritise capital development and assist in addressing backlogs and service delivery in the community.

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The MFMA requires that performance on budget delivery be monitored through the use of Service Delivery and Budget Implementation Plans for each municipal department. The Municipal Performance Management System required in terms of the Municipal Systems Act including Performance Agreements for managers reporting to the Municipal Manager, has been developed and rolled out.

ANNEXURE 1

	2016-2017	2017-2018
1. NUISANCES BY LAWS		
Destruction and/or removal of things		
(1.1) Destruction of thing or things	R 88.32	R 104.21
(1.2) Plus removal of thing or things per kilometer per cubic metre or part thereof	R 2.18	R 2.31
(3) Actual cost of labour shall be Added		
(1.3) Cleaning of grass and weeds from privately owned stands at a cost of (VAT included) Plus 10% of the cost.	R 1.80	R 1.93
(1.4) Removal of stray animals	R50.00 per animal	R63 per animal
2. PUBLIC HEALTH BYLAWS		
Removal of refuse and carcasses		
(2.1) Domestic and business refuse other than that referred to in paragraph (2) thereof.		
(a) Per weekly removal	R 63.38	R 67.18
Per receptacle of 84 l or part thereof, subject to the :		
(i) Private dwellings and flats that are being used flats that are being used exclusively for domestic purposes and non-profit making offices and clubs at a minimum monthly charge of	R 63.38	R 67.18
(ii) Business and other premises not included in (i), at monthly charge of	R 188.14	R 199.43
(b) Per five times weekly removal per receptacle or part thereof with a minimum charge of	R 343.10	R 383.68
Actual cost of labour and machinery shall be added	R 320.00	R 339.20
Le (1) TLB per hour	R 652.84	R 586.01
(2) Tipper Truck		
(2.2) Removal of bulky refuse, per cubic metre or part thereof (minimum 3 m ³) on request	R 104.31	R 110.57
(2.3) Removal of carcasses		
(a) Cattle, donkeys, horses and other similar size animals per carcasses	R 293.14	R 310.73
(b) Sheep, pigs, goats per carcass	R 115.38	R 122.30
(c) Dogs and cats, per removal	R 176.09	R 186.66
(d) Any removal after hours, per car-carcass		
(e) Removal of dead animals at Veterinary surgery (per carcass)	R 176.09	R 186.66
(2.4) Removal of refuse from bulk containers (1.75 m ³)		
(a) Daily removal (excluding Saturdays and Sundays) per container per month	R 2,319.44	R 2,458.61
(b) Thrice weekly removal, per container per month	R 1,862.40	R 1,845.54
(c) Bi-weekly removal, per container per Month	R 773.10	R 819.49
(2.5) Removal of refuse from 30 m ³ containers per removal with a minimum of four removals per month, provided that the minimum number of removals shall not apply if the container is temporarily hired for a period of less than one month.	R 1,570.00	R 1,673.74
(2.6) Refuse removal charges in respect of vendors. p.a.	R 88.42	R 91.60
(2.7) Removal of refuse from 10 m ³ containers per removal with a minimum of four removals per month; provided that the minimum number of removals shall not apply if the container is temporarily hired for a period of less than one month.	R 1,034.94	R 1,087.03
Hiring of Refuse Container		
30m ³	R 1,427.23	R 1,512.86
10m ³	R 1,020.51	R 1,081.74

	2016-2017	2017-2018
3. POUND BYLAWS		
Relocation, conviction and maintenance of livestock		
(3.1) Fees and costs payable to the Pound Keeper. The Pound Keeper shall be entitled to charge the owner of impounded animals with fees at the following rates:		
(a) Pound Fees:		
(i) for every sheep, goat, calf or pig	R 15.00	R 15.00
(ii) for every bull, stallion, ridge, horse, mule, ass, ox or cow	R 50.00	R 50.00
(3.2) IMPOUNDED ANIMALS		
REMOVAL OF ANIMALS FROM PRIVATE PROPERTY		
-DOGS AND CATS:		
(a) Transport to be calculated per km travelled and the AA Rate Schedule for the month.		
(b) Housing per animal for 7 days		R 250.00
(c) Euthanasia cost per animal		R 230.00
(d) Removal of carcasses		R 160.12
4. CEMETERY FEES		
Burial and cemetery fees		
(4.1) Colenso / Township Cemeteries		
(a) Burial fees during the hours 7:30 – 15:00		
(i) Adults	R 105.00	R 112.00
(ii) Children under 12 years of age	R 70.00	R 75.00
(4.2) Cemetery RD Cemetery		
(a) Burial fees after hours (between 15:00 and 07:30 or on Saturdays, Sundays and public holidays including burial, and/or preparation and/or backfilling of grave):		
(i) Adults	R 620.00	R 660.00
(ii) Children under 12 years of age	R 400.00	R 405.00
(4.3) Blue Bank Cemetery		
(a) Burial fees after hours (between 15:00 and 07:30 or on Saturdays, Sundays and public holidays - including plot, burial, and/or preparations and/or backfilling of grave):		
(i) Adults	R 650.00	R 700.00
(ii) Children under 12 years of age	R 400.00	R 425.00
(4.4) Second Interment (in existing grave deeper than 1.63 m) and/or reinterment		
(a) During the hours 07:30 – 15:00:		
(i) Adults	R 130.00	R 140.00
(ii) Children under 12 years of age	R 110.00	R 115.00
(b) After hours (between 15:00 and 07:30 or on Saturdays, Sundays and public holidays – including burial and/or preparation and/or backfilling of grave		
(i) Adults	R 385.00	R 410.00
(ii) Children under 12 years of age	R 385.00	R 410.00
(4.5) Interment of ashes in existing grave:		
(a) Adults and children	R 120.00	R 130.00
(4.6) Interment of ashes in memorial wall:		
(a) Adults and children	R 285.00	R 285.00
(4.7) Site fees:		
(a) Adults, standard grave 2.4 m	R 335.00	R 365.00

	2016-2017	2017-2018
(b) Children under 12 years of age, standard grave 1.2 m	R 205.00	R 120.00
(4.8) Cemetary fees:		
(a) Adults	R 535.00	R 576.00
(b) Children under 12 years of age	R 420.00	R 445.00
(4.9) Second interment (burial in an existing grave deeper than 1.83 m) and/or re-interment		
(e) During the hours 07:30 – 15:00		
(i) Adults	R 700.00	R 745.00
(ii) Children	R 700.00	R 745.00
(4.10) After hours (between 15:00 and 07:30 or on Saturdays, Sundays and public holidays – including burial		
(e) Adults	R 1,000.00	R 1,060.00
(b) Children under 12 years of age	R 1,000.00	R 1,060.00
(4.11) Interment of ashes in existing grave		
(e) Adults and children	R 215.00	R 227.00
(4.12) Interment of ashes in memorial wall:		
(e) Adults and children	R 800.00	R 840.00
(4.13) Non-standard grave (wider than 0.7 m and/or longer than 2.2 m):		
(e) Residents and non-residents, an additional amount of	R 140.00	R 145.00
(4.14) Exhumation fees:		
(e) Adults and children	R 735.00	R 780.00
(4.15) Approval of plan for erection of tombstone	R 170.00	R 180.00
(4.16) Memorial panel	R 165.00	R 170.00
(4.17) Rural Area Cemeteries		
(e) Burial fees during the hours 7:30 - 15:00		
(i) Adults	R 75.00	R 80.00
(ii) Children under 12 years of age	R 45.00	R 48.00
(4.18) Certificate of Competence: Funeral Services	R 1,045.00	R 1,745.00

5. TARIFFS RELATING TO PARKS, SPORTS GROUNDS ETC.

The following fees shall be paid upon application for the hire of any sports fields or municipal recreation grounds or portion thereof in respect of each event which includes the cost of the marking of fields for the purpose it was intended for:

(5.1) Settlers Park Sports Ground (original layout : cricket, rugby and hockey)

(a) Ordinary club matches, per field	R 250.00	R 165.00
(b) School matches	R 110.00	R 113.00
(c) Provincial matches, Natal country districts, sub-union and inter-districts per field	R 335.00	R 415.00
(d) Social and similar events of a non-professional nature, per field	R 390.00	R 415.00
(e) Matches of professional bodies:		
(i) Weekdays, per field	R 280.00	R 176.00
(ii) Saturdays, per field	R 450.00	R 488.00
(iii) Sundays, per field	R 560.00	R 593.60
(f) Training sessions by sporting bodies/clubs (athletics) per club/per practice (limited to 60mins) - application to be submitted in writing	R 120.00	R 260.00
(g) Training sessions by sporting bodies/clubs per season (Applications to be submitted in writing)	R 900.00	R 954.00

(5.2) Agra (original lay-out : cricket)

(a) Ordinary matches, per field	R 240.00	R 245.00
(b) Other purposes or social events (whether charges for admission are levied or not), per day or part thereof	R 560.00	R 610.00
(c) School matches	R 170.00	R 103.00
(5.3) Aondlavale (original lay-out: soccer)		
(a) Ordinary matches, per field	R 80.00	R 1,410.00
(b) Other purposes or social events (whether charges for admission are levied or not), per day or part thereof	R 170.00	R 80.00
(c) School matches	R 85.00	R 90.00
(d) Training sessions by sporting bodies/clubs (athletics) per club/per practice (limited to 60mins) - application to be submitted in writing	R 85.00	R 70.00

(5.4) Azalea Crescent (origi

(a) Ordinary matches, per field	R 85.00	R 90.00
(b) Other purposes or social events (whether charges for admission are levied or not), per day or part thereof	R 85.00	R 90.00
(c) School matches	R 85.00	R 90.00

(5.5) Limit Hill (ordinary lay-out : netball & soccer)

(a) Ordinary matches, per field	R 85.00	R 90.00
(b) Other purposes or social events (whether charges for admission are levied or not), per day or part thereof	R 85.00	R 90.00
(c) School matches	R 85.00	R 90.00

(5.6) Marking of fields for practice purposes

(5.7) Marking of fields for purposes other than which was intended as well as moving of equipment (other than athletic tracks)

(5.8) Original charge plus cost plus 10%

	2016-2017	2017-2018
(a) Training sessions by sporting bodies / clubs (limited to 90 mins) - application to be done in writing	R 85.00	R 70.00
(b) Per season		
All applications to be in writing	R 770.00	R 815.00
(5.9) Use of any sports fields for political meetings per day		
(a) Plus refundable deposit of	R 1,970.00	R 2,100.00
(b) Concerts per day	R 820.00	R 870.00
(5.10) A deposit of is payable by professional bodies	R 1,970.00	R 2,100.00
(a) and by non-professional bodies in respect of the use of any of Council's sports grounds for social and similar	R 950.00	R 950.00
	R 545.00	R 560.00
(5.11) A refundable deposit must be paid to obtain the keys to sports grounds, which deposit will be refunded upon return of the keys.	R 160.00	R 170.00
(5.12) A penalty will apply for any late booking of a field, which booking will only be accepted in instances where no preparation of a field is required. Final confirmation of booking as well as payment must be made three (3) working days in advance.	R 160.00	R 175.00
(5.13) In addition to the applicable tariff, a refundable deposit of R must be paid for any sporting event. The deposit less any amount required for reinstatement of the field shall be refunded to the hirer..	R 170.00	R 180.00
(5.14) Marking of athletics tracks		
(a) 4 athletics tracks	R 220.00	R 235.00
(b) 8 athletics tracks	R 640.00	R 680.00
(5.15) Hiring of plants		
(a) Small plants (per group of 20)	R 110.00	R 115.00
(b) Large trees (per group of 10)	R 220.00	R 236.00
(c) Refundable deposit for hiring of plants	R 85.00	R 345.00
(d) Penalty for plants not returned within 3 days	R 325.00	R 345.00
(5.16) Complete decorations by Hofukuura Team (within the Jurisdiction of the Emamabéni / Ladysmith Municipality at transport rate of R 1.50 per km or current AA rate)	R 750.00	R 220.00
(5.17) Driefontein Sportfield & AG Magubane : Ezakheni & Mabhomane		
(a) Ordinary matches, per field (per 80 minutes)	R 90.00	R 95.00
(b) Other purposes or social events (whether charges for admission are levied or not), per hour	R 90.00	R 95.00
(c) School matches	R 90.00	R 95.00
(5.18) Kandahar sport field (original lay-out : soccer)		
(a) Ordinary matches, per field	R 240.00	R 345.00
(b) Other purposes or social events (whether charges for admission are levied or not), per day or part thereof	R 560.00	R 555.00
(c) School matches	R 110.00	R 115.00
(5.19) Ezakheni sport field(original lay-out : soccer)		
(a) Ordinary matches, per field	R 90.00	R 95.00

	2016-2017	2017-2018
(b) Other purposes or social events (whether charges for admission are levied or not), per day or part thereof	R 80.00	R 95.00
(c) School matches	R 90.00	R 95.00
(5.20) Rooaboorn sport field(original lay-out : soccer)		
(a) Ordinary matches, per field	R 90.00	R 95.00
(b) Other purposes or social events (whether charges for admission are levied or not), per day or part thereof	R 90.00	R 95.00
(c) School matches	R 90.00	R 95.00
(5.21) Matlwane sport field(original lay-out : soccer)		
(a) Ordinary matches, per field	R 90.00	R 95.00
(b) Other purposes or social events (whether charges for admission are levied or not), per day or part thereof	R 90.00	R 95.00
(c) School matches	R 90.00	R 95.00
(5.22) Burford sport field(original lay-out : soccer)		
(a) Ordinary matches, per field	R 90.00	R 95.00
(b) Other purposes or social events (whether charges for admission are levied or not), per day or part thereof	R 90.00	R 95.00
(c) School matches	R 90.00	R 95.00
(5.23) Bluebank sport field(original lay-out : soccer)		
(a) Ordinary matches, per field	R 90.00	R 95.00
(b) Other purposes or social events (whether charges for admission are levied or not), per day or part thereof	R 90.00	R 95.00
(c) School matches	R 90.00	R 95.00
6. PUBLIC SWIMMING BATHS AND PARKS		
(6.1) Butler Road swimming bath:		
(a) Adults	R 20.00	R 22.00
(b) Full-time scholars and children under 18 years	R 10.00	R 10.50
(c) Season tickets (available for swimming season)		
(i) Adults	R 215.00	R 225.00
(ii) Full-time scholars and children under 18 years	R 110.00	R 115.00
(d) Gales:		
(i) Morning sessions- 06:00-13:00	R 360.00	R 370.00
(ii) Afternoon sessions- 13:30-20:00	R 1,000.00	R 1,060.00
(6.2) Agre Crescent swimming bath		
(a) Adults	R 15.00	R 16.00
(b) Full-time scholars and children under 18 years	R 6.00	R 7.00
(c) Gales and other events:		
(i) Morning or afternoon sessions	R 225.00	R 240.00
(ii) Evening sessions	R 315.00	R 335.00
(6.3) Limit Hill swimming bath		

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	2016-2017	2017-2018
(a) Adults	R 11,00	R 12,00
(b) Scholars and children under 10 yrs	R 6,50	R 6,00
(c) Galas and other events:		
(i) Morning or Afternoon sessions	R 225,00	R 240,00
(ii) Evening sessions	R 316,00	R 335,00
(d) Baptism:		
(i) morning - 08:00-11:00	R126 per hour	R 135,00
(6.4) Colenso swimming pool		
(a) Adults	R 6,00	R 7,00
(b) scholars and childrens under 16 yrs	R 3,00	R 3,50
(c) Galas and other swimming events		
(i) Morning session	R 240,00	R 255,00
(ii) Afternoon session	R 300,00	R 300,00
(d) Baptism:		
(i) Morning - 08:00-11:00	R125 per hour	135 per hour
(e) Galas and other events:		
(i) Morning or Afternoon sessions	R 245,00	R 260,00
(ii) Evening sessions	R 330,00	R 360,00
(d) Baptism:		
(i) Morning - 08:00-11:00	R125,00 per hour	R 135,00
(6.5) Rural swimming pools (St Chads Swimming Pool)		
(a) Adults	R 5,60	R 6,00
(b) Scholars and children under 16 yrs	R 3,00	R 4,00
(c) Galas and other events:		
(i) Morning or Afternoon Sessions	R 245,00	R 260,00
(ii) Evening Sessions	R 360,00	R 375,00
(d) Baptism		
(i) Morning 08:00 - 11:00	R126,00 per hour	R135 per hour
€ Indoor gym member per month		
Adults	R 50,00	R 65,00
Childrens	R 20,00	R 22,00
(6.6) Wimpy Park		
(a) Weddings per hour (until 13:00)	R 1,285,00	R 1,310,00
(6.7) Ezakheni Parks and Steadville Parks		
(a) Wedding per hour	R 1,170,00	R 1,240,00
(6.8) Colenso Park		
(a) Wedding per hour	R 600,00	R 640,00
(6.9) Colenso Gym		
(a) Adults per month		R 60,00
Scholars per month		R 25,00

7. PRINTING OF PLANS:

The following fees shall be paid for the printing of plans

- (a) for each 0,10m2 or portion thereof for paper prints R .81 with a minimum of R4,70
- (b) for each 0,10m2 or portion thereof for seple prints R4,58 with a minimum of R12,00
- (c) photostat copies per copy

2016-2017

2017-2018

R 0.81

R 5.19

R 0.81

GIS PLAN	2016-2017		2017/2018	
	FULL COLOUR	LINE MAP	FULL COLOUR	LINE MAP
A4	R 19,24	R 12,02	R 20,41	R 12,75
A3	R 42,08	R 24,04	R 44,85	R 24,04
A2	R 66,13	R 36,07	R 70,16	R 36,07
A1	R 180,34	R 80,11	R 181,34	R 80,11
A0	R 240,45	R 120,23	R 255,12	R 127,86

8. DEVELOPMENT APPLICATIONS

A. CATEGORY 1 APPLICATIONS

- (1) The establishment of a township or the extension of the boundaries of a township
- (2) The amendment of an existing scheme or land use scheme by the rezoning of land

(i) If the property is between 10m² - 1ha;

(ii) If the property is 1,1ha - 3ha;

(iii) R4000,00 if the property is between 3,1ha - 8ha;

(iv) If the property is between 0,1ha - 0ha

(v) If the property is between 9,1ha and above

(3) The removal, amendment or suspension of a restrictive or obsolete condition, servitude or reservation registered against the title of the land.

(4) The amendment or cancellation in whole or in part of a general plan of a township.

(5) The subdivision and consolidation of any land other than a subdivision and consolidation which is expressly provided for in a land use scheme.

(6) Permanent closure of any public place.

(7) Any consent or approval required in terms of a condition of title, a condition of establishment of a township or condition of an existing scheme or land use scheme.

R 13,360,00

R 4,100,00

R 5,220,00

R 6,430,00

R 7,650,00

R 12,140,00

R 2,000,00

R 1,260,00

R 1,220,00

R 2,500,00

R 1,220,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

R 1,260,00

B. CATEGORY 2 APPLICATIONS

(1) The subdivision of any land where such subdivision is expressly provided for in a land use scheme.

(i) Subdivisions into two properties jointly less than a ha.

(ii) Subdivisions into 3 properties jointly less than a ha.

(iii) Subdivision into 4 properties jointly less than a ha.

(iv) Subdivision into 2 properties above a ha.

(v) Subdivision into 3 properties above a ha.

(vi) Subdivision into 4 properties above a ha but less than 10 ha.

(vii) Subdivision above 10ha - 30ha

(viii) Subdivision above 31ha - 50ha

(ix) Subdivision above 51ha and above

(2) The consolidation of any land where such consolidation is expressly provided for land use scheme

(i) If consolidated Properties are less than 1ha;

(ii) If consolidated Properties are between 1ha and above;

(3) The simultaneous subdivision and consolidation of land which is expressly provided for land use scheme

(4) The consent of the municipality for any land use purpose or departure development application

(i) Fees payable on application for special consent other than those listed on the sub-categories below

(ii) For a Truck Shop

(iii) Payable for B&B / Guesthouse/Lodge/Motel.

(iv) If application for special consent is for offices within predominantly residential areas

(v) Fees payable on submission for Relations, refundable for non approved application

2016-2017

2017-2018

R 1,820.00

R 1,925.20

R 3,060.00

R 3,233.00

R 3,280.00

R 3,476.80

R 3,280.00

R 3,476.80

R 4,010.00

R 4,250.80

R 4,880.00

R 5,151.80

R 5,100.00

R 5,646.00

R 10,320.00

R 10,839.20

R 14,560.00

R 15,433.80

R 4,010.00

R 4,250.80

R 7,250.00

R 7,716.80

R 7,500.00

R 7,950.00

R 1,215.00

R 1,287.90

R 185.00

R 196.10

R 5,460.00

R 5,787.80

R 5,460.00

R 5,787.80

R 810.00

R 864.80

	2016-2017	2017-2018
(vi) applicable for relaxation of either side or rear space	R 1,335.00	R 1,415.10
(vii) applicable for building line	R 2,870.00	R 2,850.20
(viii) Additional Coverage	R 120.00	R 127.20
(ix) Floor Area Ratio (FAR)	R 120.00	R 127.20
(5) The removal, amendment or suspension of a restrictive title condition relating to the density of residential development on a specific erf where the residential density is regulated by a land use scheme in operation.	R 1,800.00	R 1,908.00
C. CATEGORY 3 APPLICATIONS		
(i) Establishment of new zones for the scheme		
(ii) Establishment of development controls and changes thereto	R 4,000.00	R 4,240.00
D. CATEGORY 4 APPLICATIONS		
1. Development of land outside the scheme		
(i) If the property is between 10m ² - 1ha;	R 1,213.59	R 1,286.41
(ii) If the property is 1,1ha - 3ha	R 1,213.59	R 1,286.41
(iii) If the property is between 3,1ha - 6ha	R 1,213.59	R 1,286.41
(iv) If the property is between 6,1 ha - 9ha	R 1,213.59	R 1,286.41
(v) If the property is between 10ha and above (R3500 + 500 per ha)	R 1,213.59	R 1,286.41
E. ZONING CERTIFICATE		
08. ADVERTISING SIGNS		
Fees payable on application for permission to erect advertising signs on public property.	R 20.00	R 21.20
(08.1) Fees payable on application for permission to erect temporary advertising signs on public property : Application fees		
(9.2) Deposit, refundable if advertising signs are removed within three days of the event being advertised and if no damage was done to public property	R 135.49	R 141.50
(9.3) Permanent and semi- permanent Advertising signs	R 784.52	R 831.81
(a) Illuminated small billboards		
(i) Application fee		
(ii) Annual rental fee for Council land	R 13,340.53	R 14,150.51
(iii) Annual display fee	R 788.84	R 838.17
	R 1,466.31	R 1,543.69

	2016-2017	2017-2018
(b) Illuminated giant billboards		
(i) Application fee		
(ii) Annual rental fee for Council land	R 25,699.07	R 28,301.01
(iii) Annual display fee	R 768.84	R 836.17
	R 1,458.31	R 1,543.89
(c) LCD LED Screen		
(i) Application fee		
(ii) Annual rental fee for Council land	R 26,899.07	R 29,301.01
(iii) Annual display fee	R 768.84	R 836.17
	R 1,456.31	R 1,543.69
(d) Giant billboards		
(i) Application fee		
(ii) Annual rental fee for Council land	R 18,203.91	R 19,296.14
(iii) Annual display fee	R 606.80	R 643.20
	R 1,031.55	R 1,093.45
(e) Custom made billboards		
(i) Application fee		
(ii) Annual rental fee for Council land	R 18,203.91	R 19,296.14
(iii) Annual display fee	R 606.80	R 643.20
	R 1,031.55	R 1,093.45
(f) Small billboards and tower structures		
(i) Application fee		
(ii) Annual rental fee for Council land	R 7,281.56	R 7,725.74
(iii) Annual display fee	R 606.80	R 643.81
	R 1,031.55	R 1,093.45
(g) Large posters and advertisements on street furniture		
(i) Application fee		
(ii) Annual rental fee for Council land	R 606.80	R 643.20
(iii) Annual display fee	R 364.08	R 385.92
	R 728.16	R 771.85
(h) Suburban ads		
(i) Application fee		
(ii) Annual rental fee for Council land	R 509.71	R 540.29
(iii) Annual display fee	R 364.08	R 385.92
	R 728.16	R 771.85
(i) Street name advertisements		
(i) Application fee		
(ii) Annual rental fee for Council land	R 509.71	R 540.29
(iii) Annual display fee	R 364.08	R 385.92
	R 728.16	R 771.85
(j) Flat signs		
(i) Application fee		
(ii) Annual rental fee for Council land	R 449.03	R 475.97
(iii) Annual display fee	R 728.16	R 771.85
(k) Projecting signs		
(i) Application fee		
(ii) Annual rental fee for Council land	R 509.71	R 540.29
(iii) Annual display fee	R 364.08	R 385.92
	R 728.16	R 771.85
(l) Veranda, balcony, canopy and under awning signs		
(i) Application fee		
(ii) Annual rental fee for Council land	R 555.34	R 594.56
(iii) Annual display fee	R 364.08	R 385.92
	R 728.16	R 771.85
(m) Signs painted on roofs and walls		
(i) Annual display fee	R 449.03	R 475.97
(n) Window signs		
(i) Annual display fee	R 728.16	R 771.85
(o) Advertisements on forecourts of business premises other than the ones mentioned above		
(i) Annual display fee	R 449.03	R 475.97

	2016-2017	2017-2018
(i) Annual display fee	R 728.16	R 771.85
(b) On - premises business signs other than the ones mentioned above	R 449.03	R 476.97
(i) Annual display fee	R 728.16	R 771.85
(9.4) Penalties		
(a) For the erection of any sign without approval, per week	R 1,213.99	R 1,286.41
(b) For the erection of any billboard without approval, per week	R 3,640.78	R 3,859.23
(9.6) Approval of plans for the erection of permanent advertising / signboards Fees payable on application for permission to erect permanent advertising signs on public property.		
(a) Submission fee	R 146.63	R 164.37
(b) Plan approval fee	R 84.95	R 90.05
(c) Foundation and Final Inspection	R 485.44	R 514.56
(d) Building Deposit	R 970.98	R 1,029.13
TOTAL	R 1,698.90	R 1,768.11
(9.8) Permanent advertising signs on and not Municipal Land(non refundable) private properties included		
(a) For an illuminated mini billboards also subject to agreement	R 14,563.13	R 15,436.92
(b) For an illuminated giant billboards also subject to agreement .	R 27,912.69	R 29,587.42
(c) For LCD LED Screen also subject to agreement	R 27,912.66	R 29,587.42
10. BUSINESS LICENSE		
Fees payable for business licenses		
(10.1) Fees payable for business licenses		
(a) Application for business inside the Lady Smith CBD annual fee	R 243.96	R 258.60
(b) Application for business licence outside the CBD annual fee	R 243.96	R 258.60
(c) Application for business licenses in the townships annual fee	R 243.96	R 258.60
(10.2) Handling fees		
(a) Handling Costs - CBD	R 1,941.75	R 2,056.28
(b) Handling Costs - Township	R 728.16	R 771.85
(c) Handling Costs - Rural Areas	R 364.08	R 385.92
11. ILLEGAL USES AND ADVERTISING SIGNS		
Penalties to be paid for illegal operations and advertising signs		
(11.1) On a daily basis for failure to cease operation		
12. URBAN AESTHETICS		
The following fees are payable for the Improvement of aesthetics of a building in the CBD	R 3,033.99	R 3,216.02
(1) Monthly for properties inside the CBD not compliant with the CBD Design Guidelines;	R 3,033.99	R 3,216.02
(2) Monthly for properties, where Council has advised the owner to improve the physical appearance of the structure or building	R 2,695.91	R 2,930.10

13. SCANNING TARIFFS

The following fees are payable for the scanning of documents

2016-2017 2017-2018

Size of paper:	2016/2017	2017/2018
A4	Colour R 18,96	Black and White R 4,21
A3	R 11,30	R 6,97
A2	R 14,43	R 11,06
A1	R 22,48	R 15,20
A0	R 30,90	R 23,83
		Black and White R 23,83

14. LICENSING AND CONTROL OF DOGS : AMENDMENT

Fees payable for the licensing of domesticated dogs

- (14.1) Per dog per annum in any household R 11,40
- (14.2) For more than one (1) dog R 20,00
- (a) For the first two (2) dogs in any household -
 - (i) For any dog which in the judgement of the person authorised or appointed to issue licences is of the greyhound or similar strain R 25,00
 - (ii) For any unspayed bitch of any other strain not defined in paragraph (a) (i) R 65,23
 - (iii) For any spayed bitch of any other strain not defined in paragraph (a) (i) R 4,98
 - (iv) For any male dog of any other strain not defined in paragraph (a) (i) R 5,26
- (14.3) For any dog in any household in excess of two dogs R 61,84

In the event of those barking dogs of both sexes in any one household, and unspayed bitch shall be regarded as the first dog (and where applicable the second dog) for purposes of assessing the licence fees payable).

15. BUSINESS ADMINISTRATIVE FEE

Fees payable for business administrative purposes

(1) Administration fees are as follows:

- (a) CBD R 2,620.24
- (b) Residential Areas R 1,191.02

16. PUBLIC PARTICIPATION TARIFFS

Fees payable for services rendered to organisations

CULTIVATION PROGRAMME

(1) Community based organisations

- (a) Ploughing per hectar R 233.20
- (b) Disk per hectar R 233.20
- (c) Planter per hectar R 233.20
- (d) Ripper per hectar R 233.00
- (ii) Round ball R 58.30
- (e) Dip Tank Renovations R 266.52
- (f) Cattle Dam Renovations R 266.52
- (g) Transportation of SMME's R 266.52
- R 64.13
- R 300.00
- R2,00 per m2
- 50% of AA Rates

- (2) Emerging commercial/individual farmers
- (a) Ploughing per hectar R 583.00
- (b) Disk per hectar R 583.00
- (c) Planter per hectar R 583.00

(d) Ripper per hectare	R 653.00	R 641.30
(f) Round ball	R 55.30	R 84.13
(e) Fencing		R 200.00
(f) Construction and Renovation of Chicken Houses		R 2.00 m2
(g) Renovation of pigsty Houses		R 2.00 m2
h) Construction of pack houses		R 2.00 m2

	(3) Monthly Rentals of Municipal Properties to SMMES/Cooperatives				
	(a) Properties with Machinery and Equipment			R 660.00	
	(b) Vacant Land / Plot			R 100.00	
	(c) Municipal Owned Office Spaces / Building			R9.50 /sqm	
	(4) Monthly Rentals for Trading of Informal Traders				
	(a) Vacant Trading Plot				
	(b) Trading Plot with Municipal Trading Stalls				
				R 30.00	
				R 50.00	

17. ELECTRICITY TARIFF OF CHARGES

Fees payable with regards to electricity and electrical services

(1) Definitions:

Active Energy Charge: A charge for each kilowatt hour (kWh) of energy active consumed.

Basic Charge: A monthly basic charge is payable for all metered connections whether electricity is consumed or not and all vacant lots where a building can be erected for any purpose and which can be connected to the electricity reticulation network.

Estimated Load: The total connected load of an installation reduced by the diversity factors according to

High Voltage: A nominal voltage of 132 000 Volt ($\pm 5\%$) between any of the three phase conductors

Low Voltage: A nominal voltage of 400 Volt ($\pm 10\%$) between any of the three phase

Maximum Demand Charge: Payable for each kilovolt-ampere (kVA) supplied by the Council to a consumer during a demand integrating period of 30 (thirty) consecutive minutes in the month or such time periods in the month as may be applicable

Medium Voltage: A nominal voltage of 11 000 Volt ($\pm 5\%$) between any of the three phase conductors.

Notified Maximum Demand: The consumer shall notify the Council in writing of the maximum demand in kilovolt-amperes (hereinafter referred to as "the notified maximum demand") which the consumer requires the Council to provide.

The calendar-month's notice of any increase and twelve (12) months notice of any decrease in the notified maximum demand, must be given in writing by the consumer to the Council and of the date upon which the revised supply is required. From the date on which the revised supply is available, the notified maximum demand shall be increased or decreased accordingly.

Time-off-use tariff: The time-off-use tariff is appropriate for a consumer who is able to manage the energy consumption and maximum demand by shifting load to the defined ESKOM's specified time schedule as amended from time to time.

(2) Conditions applicable to all tariff scales:

a) A consumer may apply to the Council to be billed on either the standard or the time-of-use tariff. A consumer may not apply to change over from the standard to the time-of-use tariff or from the time-of-use to the standard tariff more than once in a period of 12 months

b) A consumer may apply to the Council to reduce or to increase the size of a circuit breaker (MCB) or the notified maximum demand. A consumer may not apply to reduce the circuit breaker or to reduce the notified maximum

demand more than once in a period of 12 months.

Domestic Life Line Supply
This scale shall apply to all customers who are registered with and approved by the municipality as indigent. The meter will be single-phase prepaid and the supply will be restricted to 20 amperes. A specific application must be made to shift to this tariff.

(a) Active energy charge per kWh consumed

(3) Scale 1 : Domestic Supplies:

This scale shall also apply to churches, charitable organizations and sporting bodies with a maximum estimated load of 80A single phase but not exceeding 100A 3 phase. (Circuit Breaker size: 45, 60, and 80A single phase), (3 Phase : 45, 60, 80 and 100A)

(a) Credit Meters

ALL ELECTRICITY TARIFFS EXCLUDES VAT

(i) Active Energy charge per kWh consumed - INCLUDING BLOCK TARIFF FROM

0-350	R 1,2256	R 1,2430
350-650	R 1,5938	R 1,5317
650-1500	R 1,7743	R 1,8077
1500+	R 2,1635	R 2,2086

(b) Prepayment tariff Domestic:

(i) Active Energy charge per kWh- INCLUDING BLOCK TARIFF FROM

1 - 100	R 1,0401	R 1,0433
100 - 350	R 1,1668	R 1,1734
350 - 650	R 1,5038	R 1,5319
650+	R 1,8132	R 1,8237

(ii) Time of use Meters (TOUM)

FIXED CHARGE - SUMMER (kWh)
OFF - PEAK
STANDARD
PEAK

FIXED CHARGE - WINTER (kWh)
OFF - PEAK
STANDARD
PEAK

R 50,00	R 1,8201	R 1,8543
R 1,2466		
R 1,4024		
R 1,7871		
R 50,00		
R 1,4100		
R 1,8873		
R 2,1483		

(4) Scale 2 : Businesses:
This scale applies to businesses with a maximum load of 80A single phase but not exceeding 150A three phase.
(Circuit Breaker sizes : 5A – 50A at intervals of 5A on single -phase and 5A -100A at intervals of 10A and thereafter 125A and 150A)

(a) Credit Meters

(i) Active Energy Charge per kWh consumed - Excluding vat

(b) Prepayment tariff

(i) Active energy charge - Excluding Vat

(5) Scale 3 : Medium business and industrial premises
This scale shall apply where the notified maximum demand is 50kVA but less than 500kVA supplied at low voltage.
One calendar-month's notice of any increase and twelve (12) months notice of any decrease in the notified maximum demand, must be given in writing by the consumer to the Council and of the date upon which the revised supply is required. From the date on which the revised supply is made available, the notified maximum demand shall be increased or decreased accordingly.

(1) Credit Meters - Excluding vat

2016-2017

2017-2018

(a) Monthly Basic charge for a metered stand per point of supply whether electricity is consumed or not, EXCI

(a) 1. Network charges:

2. Network Demand Charge

(c) Active Energy charge for September to May from 06:00 – 22:00 per kWh

(d) Active Energy charge for September to May from 22:00 – 06:00 per kWh

(e) Active Energy charge for June to August from 06:00 – 22:00 per kWh

(f) Active Energy charge for June to August from 22:00 – 06:00 per kWh

R 2,876.78
R 73.49
R 82.64
R 0.6125
R 0.6011
R 1.6163
R 0.6388

R 2,885.88
R 73.72
R 82.90
R 0.6144
R 0.6027
R 1.6213
R 0.6406

(2) Time-Of-Use (TOU) meters:

(a) Monthly Basic charge for a metered stand per point of supply whether electricity is consumed or not - exci

(b) Network charges: excluding vat

Network Access Charge (NAC) per KVA

Network Demand Charge (NDC) per KVA

(c) Time-of-Use tariff per kWh consumed during the month in accordance with ESKOM's specified time schedule:

R 6,145.10
R 60.58
R 0.00

R 6,164.15
R 60.75
R 0.00

Active Energy Charge	2016/2017		2017/2018	
	High-demand season (June - August)	Low-demand season (September - May)	High-demand season (June - August)	Low-demand season (September - May)
Peak	R 3,3189	R 1,1380	R 3,3262	R 1,1416
Standard	R 1,0626	R 0,8093	R 1,0659	R 0,8118
Off-peak	R 0,6151	R 0,5439	R 0,6170	R 0,5469

(8) Scenario 4 : Large business and industrial premises

This scale shall apply where the notified maximum demand is 100KVA or higher as per consumer requirements supplied at medium voltage.

One calendar-month's notice of any increase and twelve (12) months notice of any decrease in the notified maximum demand, must be given in writing by the consumer to the Council and the date upon which the revised supply is required. From the date on which the revised supply is made available, the notified maximum demand shall be increased or decreased accordingly.

A notice period of six (6) months must be given to terminate the contract for bulk electricity supply.

(1) Credit Meters - excluding vat

(a) Monthly basic charge for a metered stand per point of supply whether electricity is consumed or not

(b) Network charges:

Network Access Charge (NAC) per KVA

Network Demand Charge (NDC) per KVA

(c) Active energy charge for September to May from 06:00 – 22:00 per kWh

(d) Active energy charge for September to May from 22:00 – 06:00 per kWh

(e) Active energy charge for June to August from 06:00 – 22:00 per kWh

(f) Active energy charge for June to August from 22:00 – 06:00 per kWh

R 4,346.43
R 69.83
R 78.31
0.8620
0.5417
1.7645
0.6882

R 4,359.80
R 70.05
R 78.75
R 0.8641
R 0.5434
R 1.7700
R 0.6900

(2) Time-of-use (TOU) meters:

(a) Monthly basic charge for a metered stand per point of supply whether electricity is consumed or not

(b) Network charges:

Network Access Charge (NAC) per KVA

Network Demand Charge (NDC) per KVA - payable in a peak and standard period

(c) Time-of-use tariff per kWh consumed during the month in accordance with ESKOM's specified time schedule.

R 6,145.10
R 53.14
R 0.00

R 6,164.15
R 53.30
R 0.00

Active Energy Charge	2016/2017		2017/2018	
	High-demand season (June - August)	Low-demand season (September - May)	High-demand season (June - August)	Low-demand season (September - May)
Peak	R 3,1287	R 1,0744	R 3,1354	R 1,0777
Standard	R 1,0032	R 0,7843	R 1,0083	R 0,7860
Off-peak	R 0,5613	R 0,5138	R 0,5631	R 0,5164

	2016-2017	2017-2018
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(7) High Voltage Bulk : Commercial Resellers (line of use)

(1) Time-of-use (TOU) meters:

(a) Monthly basic charge for a metered stand per point of supply whether electricity is consumed or not

(b) Network charges:

(c) Time-of-use tariff per kWh consumed during the month in accordance with ESKOM's specified time schedule:

Active Energy Charge	2016/2017		2017/2018	
	High-demand season (June - August)	Low-demand season (September - May)	High-demand season (June - August)	Low-demand season (September - May)
Peak	R 3,4162	R 1,1738	R 3,4288	R 1,1774
Standard	R 1,0962	R 0,8348	R 1,0998	R 0,8374
Off-peak	R 0,6350	R 0,3814	R 0,6370	R 0,3831

(8) Scale 5 : Special Agreement
The Council reserves the right to negotiate special agreements and the applicable tariff with consumers where the notified maximum demand is 5000kVA and higher.

(9) Scale 6 : Departmental
All energy used by any department of the Council shall be at the applicable tariff as contained in Council's tariff of charges.

(10) Scale 7 : Surcharge on On-Sales
HT Bulk Time of Use consumers will be required to confirm whether they are selling electricity on to tenants at the normal commercial rate in instances where this is the case, these customers will be surcharged at a rate of 20c per kWh consumed.

(11) Sundry charges
Additional charges are payable in the following circumstances:

(1) Replacing of meters will be charged as follows:

(a) Replacing the existing standard single-phase meter with:
Pre - payment meter

(b) Replacing the existing three-phase meter with:
Pre - payment meter

(2) Replacing the existing Demand Meter a TOU meter

(3) Replacing the existing billing programme in an electronic electricity energy meter to accommodate a change in tariff

(4) Availability charge for all vacant stands where electricity can be connected

(5) Replacement prepaid electricity token / card

(6) Deleted

(7) Deleted

SCHEDULE A:

N/A

SCHEDULE B:

N/A

This allows for a service cable to the meter point at the customers boundary.

2016-2017 R 957.40 2017-2018 R 1,005.27

ADDITIONAL CAPACITY (PER KVA)

(7) The tariffs contained in Schedule D shall be payable for circuit breaker replacements when requested by the consumer.

SCHEDULE D:

Single-phase to a maximum 80 Amperes
Three-phase to a maximum

shall not be reconnected until the fees as prescribed hereunder and any monies due by the consumer to the Council in

- (i) Disconnection
- (ii) Reconnection
- After hour reconnection

(iii) New Business Contract Administration Fee

(iv) Reminders to business and commercial consumers – per visit

(v) Additional disconnection reminders after due date to the domestic consumers

(vi) After hour reconnection if approved by the Credit Control Manager

(vii) Consolidated consumer deposits payable as per prescribed by the annual budget resolution

(viii) Blocking and unblocking of pre-paid electricity meters as a result of arrears

The above charges shall also be payable by the consumer for each visit of an official of the Council for the purpose of disconnection for any of the abovementioned reasons, even though for any valid reason, such disconnection has not been effected

(9) Meter reading

(a) Fee payable for the reading and inspection of meters on finalizing an account

(b) Fee for reading as well as analysis of special meters which are equipped with memory-bank facilities, depending on the total data available in the memory-bank of the meter

(10) Fees for each visit of a representative of the Electricity Department to the consumer's premises to attend to a power failure:

(i) Domestic

(ii) Business / Industrial

(iii) Sundays and public holidays

(10) Deleted

(11) Meter Tampering Administration Fee

(12) Fees payable for the testing of energy meters:

(i) Testing of each single-phase meter

(ii) Testing of each three-phase meter

(iii) Testing of any other type of energy meter

(13) Temporary Supplies

- (1) Where a temporary connection is required such connection shall be for a period not exceeding six months, on the expiry of which the connection will be renewed on request, subject to inspection of the connector before reconnection. In such cases the initial and subsequent connection fees shall be one half of the relevant connection fees – as per Schedule C
- (II) Active Energy charge per kWh consumed R 5.81 R 5.83
- (III) No refund will be allowed after disconnection of any temporary electricity connections.
- (14) The following shall apply to illuminate signs supplied with electricity from streetlight circuits:
- (i) Per KWH R1.90 per kWh R1.94 per kWh

18. BUILDING BYLAWS
THESE ARE TARIFFS ARE REVISED BELOW ON TARIFFS 19 - BUILDING CONTROL

Fees payable with regards to by-laws

(1) Submission fees

(a) All floor areas: In respect of all building structures, which does not increase the floor area

(2) Building deposits (payable by the registered owner of the property, included in the rates account)

(a) Residential

(b) Non-Residential

(3) Inspection fees/ Approval Charges per m2

(a) 1 - 60m2

(b) 61 - 100m2

(c) 101 - 150m2

(d) 151 - 200m2

(e) 201 - 300m2

(f) 301 - 400m2

(g) 401 - 500m2

(h) 501 - 600m2

(i) 601 - 700m2

2016-2017

2017-2018

	2016-2017	2017-2018
(j) 701 - 800m2	R 0.00	R 1,972.00
(k) 801 - 1000m2	R 0.00	R 2,463.00
(l) 1001 - 1500m2	R 0.00	R 5,695.00
(m) 1501 - 2000m2	R 0.00	R 4,187.00
Additional m ² @ R1.52 per m ² additional area above 2000 m2		
(4) Submission fees for the approval of Swimming Pool		
(a) Submission fee	R 0.00	R 205.00
(b) Plan approval fee	R 0.00	R 166.00
(c) Foundation and Final Inspection	R 0.00	R 464.00
(d) Building Deposit	R 0.00	R 1,435.00
TOTAL	R 0.00	R 2,300.00
(5) Submission fees for the approval of Boundary Walls		
(a) Submission fee	R 0.00	R 205.00
(b) Plan approval fee	R 0.00	R 166.00
(c) Foundation and Final Inspection	R 0.00	R 464.00
(d) Building Deposit	R 0.00	R 1,435.00
TOTAL	R 0.00	R 2,300.00
(6) Inspection Fees		
(a) Foundation / Excavation	R 0.00	R 264.00
(b) Floor Level	R 0.00	R 264.00
(c) Roof Structure	R 0.00	R 264.00
(d) Sewer Soil Pipe	R 0.00	R 264.00
(e) Final/Occupation	R 0.00	R 264.00
TOTAL	R 0.00	R 1,320.00
(7) Permission for the erection of temporary buildings may be granted upon payment of a charge of		
(a) Submission fee	R 0.00	R 219.00
(b) Plan Approval Fee	R 0.00	R 176.00
(c) Foundation and Final Inspection	R 0.00	R 628.00
(d) Building Deposit	R 0.00	R 1,533.00
TOTAL	R 0.00	R 2,466.00
Such permission shall be valid for six months		
19(A) BUILDING CONTROL SECTION		
Building Survey Tariffs		
19.1 Building Plans submission fees		
(a) Preliminary building plans submitted for scrutiny and comment, 25% of the normal plan approval fee as detailed below	R 187.00	R 0.00
(b) Plans for new buildings or additions to buildings submitted		
(i) For the first 20m2	R 300.00	R 0.00
(ii) Each additional 10m2 exceeding 20m2 up to and including 5000 m2	R 80.00	R 0.00
(iii) For each additional 10m2 over 5000 m2 up to and including 15000m2	R 40.00	R 0.00
(iv) For each additional 10m2 over 15 000 m2	R 30.00	R 0.00
(v) Minimum charge	R 30.00	R 0.00
(c) Minor Building Work	R 160.00	R 0.00

	2016-2017	2017-2018
(d) Approval in Principle (non-refundable)		
(e) Alterations - 12% of estimated cost (0.005 x estimated cost) - minimum charge	R 300.00	R 0.00
(f) Swimming Pools- minimum charge	R 180.00	R 0.00
(g) Drainage - minimum charge only	R 300.00	R 0.00
(h) Petrol, Diesel and gas installation minimum charge only	R 300.00	R 0.00
(i) Temporary building and structures - For every 50m ² (or part thereof)	R 130.00	R 0.00
(j) Pre-cast Concrete boundary Fences Precast concrete boundary walls not adjacent to a road boundary and not exceeding 1.8 metres in height shall be exempt from the submission of Precast concrete boundary walls not adjacent to a road boundary and not exceeding 1.8 metres in height shall be exempt from the submission of Precast concrete boundary walls not adjacent to a road boundary and not exceeding 1.8 metres in height shall be a	exempt	R 0.00
Precast Concrete boundary walls adjacent to a road and not exceeding 1.5 metres in height shall be exempt from the submission of Precast concrete boundary walls not adjacent to a road boundary and not exceeding 1.8 metres in height shall be a	R 160.00	R 0.00
Precast Concrete boundary walls adjacent to a road and which exceed 1.5 metres in height shall be subject to the submission of application forms, building plans and payment of a fee calculated at half a percent of the value of the fence with the mint fee of The approval of boundary wall	exempt	R 0.00
(k) Applications fee for processing of Demolition applications	R 80.00	R 85.00
(l) Application fee for the substitution of a plan during the approval process	R 140.00	R 145.00
(m) Hoarding	R 130.00	R 138.00
(n) Encroachment		
19.2 Hoarding Deposit - Per frontage of 10m (or part thereof) Rental - Per frontage of 10m (or part thereof) per week	R 2,900.00 R 140.00	R 3,075.00 R 150.00
19.3 Tariff for the purpose of Bylaw 206 (encroachments)		
(a) Balconies	R 90.00	R 95.00
(b) For any balcony which is not used for living or business purpose, the charge shall be R60 per year	R 100.00	R 170.00
(c) For any balcony which is not more than 75% enclosed and attached to business premises but not used for business purposes per the charge shall be R207.97 10m ² or part thereof per year	R 410.00	R 435.00
(d) For any balcony used for the purpose of a licensed business the charge shall be R595.31 per 10m ² or part thereof per year	R 90.00	R 95.00
(e) Verandahs	R 80.00	R 95.00
(f) For any verandah per year	R 80.00	R 95.00
(g) Where any structures is both a verandah and a balcony within the meaning of these bylaws the owner shall in respect of such structure pay the charges in terms of these bylaws for a verandah and a balcony		
(h) Other Projections (per year)	R 90.00	R 95.00
(i) Posts or columns at erect level	R 90.00	R 95.00
(j) Bay windows per 0.1m ² of such projection on plan	R 90.00	R 95.00
(k) Pavement lights or openings per 0.5m ² or part thereof	R 90.00	R 95.00
(l) Sunblinds each	R 80.00	R 95.00
(m) Cellars under pavements per 0.5m ²	R 80.00	R 95.00
(n) Any other projection	R 90.00	R 95.00
20 (B). MAINTAINANCE SECTION		
Hardening and Reinstatement of Shlewalks:		
(i) Concrete per metre square	R 640.00	R 704.00
(j) Asphalt or Ellumen per metre square	R 280.00	R 319.00
Hardening of Road Surfaces Including Reinstatement of Existing Road Surfaces and Driveways:		
(i) Concrete per metre square	R 1,030.00	R 1,133.00
(j) Asphalt per metre square for roads having foundations thickness of:		
(a) 300mm	R 1,080.00	R 1,185.00
(b) 310mm	R 830.00	R 915.00
	R 610.00	R 671.00

	2019-2017	2017-2018
(c) 230mm	R 490.00	R 639.00
(d) 200mm		
(II) Crushed Stone or Gravel per metre square	R 215.00	R 237.00
Hardening of Entrance Driveways (Scoop):		
(i) Concrete per metre square		
(a) Residential and Commercial Accesses	R 1,000.00	R 1,100.00
(b) Industrial Accesses	R 1,070.00	R 1,177.00
II) Asphalt or Bitumen per metre square		
(a) Residential	R 500.00	R 550.00
(b) Industrial Accesses	R 850.00	R 935.00
(c) Commercial Accesses	R 620.00	R 690.00
(II) Crushed Stone or Gravel per metre square	R 220.00	R 242.00
Hardening of Entrance Driveways (Gutter Bridge):		
(i) Concrete per metre square		
(a) Residential and Commercial Accesses	R 1,270.00	R 1,397.00
(b) Industrial Accesses	R 1,600.00	R 1,790.00
Reconstruction of Kerbing and Channelling:		
(i) Kerb only per linear metre	R 500.00	R 550.00
(ii) Channel only per linear metre	R 465.00	R 634.00
(II) Kerbing and Channelling per linear metre	R 945.00	R 930.00
Stormwater Disposal		
(1) For connection of S.W drains and Channels to Council's system -per metre		
(i) up to including 100mm connection	R 680.00	R 748.00
(a) for one pipeline in one trench	R 458.00	R 502.00
(b) for each additional pipeline in the same trench	R 1,035.00	R 1,136.00
(ii) 100mm diameter pipe connection to a stormwater pipeline	R 1,106.00	R 1,217.00
(iii) 150mm diameter pipe connection to a stormwater pipeline		
(iv) 225mm diameter pipe connection to a stormwater pipeline	R 1,395.00	R 1,535.00
(v) 300mm diameter pipe connection to a stormwater pipeline	R 1,730.00	R 1,903.00
(vi) 375mm diameter pipe connection to a stormwater pipeline	R 2,080.00	R 2,288.00
(vii) 450mm diameter pipe connection to a stormwater pipeline	R 2,450.00	R 2,695.00
21. FIRE BRIGADE BYLAWS		
Fees payable for fire fighting, rescue or protection services		
(21.1) Fire-fighting, rescue or protection services		
All movable and immovable properties:		
(a) Per fire-fighting machine per hour or part thereof		
Plus charges in respect of water, materials and/or chemicals used for extinguishing the fire.	R 584.40	R 609.56
(b) Services rendered by officers per hour or part thereof, per officer	R 224.46	R 242.41
(c) Services rendered by fireman, except officers per hour or part thereof, per fireman provided that in respect of special services rendered on public holidays, Saturdays and Sundays between the hours of 18:00 and 06:00 on weekdays	R 147.50	R 199.30

	2016-2017	2017-2018
the charges payable shall be double the charges in terms of this paragraph and the preceding paragraph (c) and (b).		
(d) For the purposes of charges payable, times shall be calculated from the time the machines leave the Fire Station until return		
(e) Distance covered per machine per km	R 16.32	R 17.62
(21.2) Pumping of water and other liquids		
(a) In respect of the use of a pump, other than for fire-fighting purposes:		
(i) For the first hour or part thereof	R 105.02	R 117.74
(ii) Thereafter, for each quarter of an hour	R 46.06	R 49.74
(21.3) In respect of the use of fire hoses, per length plus expenses in respect of water, materials and/or chemicals used in the execution of such duties.	R 40.81	R 44.07
(21.4) Services rendered by officers and firemen		
(a) Services rendered by officers, per hour or part thereof, per officer	R 175.56	R 193.92
(b) Services rendered by firemen, except officers, per hour or part thereof, per fireman Provided that in respect of special services rendered on public holidays, Saturdays and Sundays and between the hours 16:00 and 06:00 on weekdays, the charges payable shall be double the charges in terms of this paragraph and the preceding paragraph (a) and (b).	R 131.76	R 142.30
(c) For the purpose of charges payable, times shall be calculated from the time the machines leave the Fire Station until return.		
(21.5) Inspection, testing, refilling and cleaning of fire extinguishers and testing and preparation of fire-hoses and fire		
(a) Fire Extinguishers		
(i) For every fire extinguisher		
(ii) Plus cost of material and stock used.	R 126.28	R 146.21
(b) Fire-hoses		
(i) Testing, per length	R 34.98	R 39.87
(ii) Plus per pitch	R 31.89	R 65.04
(c) Fire reels		
(i) Testing, per reel	R 56.20	R 59.15
(21.6) Services rendered outside the Council's area of jurisdiction in respect of fire-fighting, rescue and/or protection services		
(a) Per machine, per hour or part thereof, plus expenses in respect of water, materials and/or used in connection with fire fighting, rescue and/or protection services.	R 638.09	R 614.10
(b) Services rendered by officer, per hour or part thereof, per officer	R 179.56	R 193.92
(c) Services rendered by firemen, except officers, per hour or part thereof per fireman Provided that in respect of such services rendered on public holidays, Saturdays and Sundays and between the hours of 16:00 and 06:00 on weekdays, the charges payable shall be double the charges in terms of this paragraph and the preceding paragraph (b) and (c)	R 141.09	R 160.94
(d) For the purposes of charges payable, times shall be calculated from the time the machine(s) leave the Fire Station until return.		
(e) Distance covered per machine, per kilometer	R 16.32	R 17.62
(21.7) Miscellaneous Charges		
(21.8) The presentation of fire-fighting courses to private bodies (maximum of thirty (30) candidates) per hour or part thereof, plus expenses in respect of materials and stock used during such training course	cost plus 10%	cost plus 10%
	R 256.92	R 277.04

22. BYLAWS RELATING TO INFLAMMABLE LIQUIDS AND SUBSTANCES

Fees payable for registration and certificates of the above mentioned bylaw

(22.1) Annual Charge 1 January to 31 December

Inspection of Premises Description of Premises	2016-2017	2017-2018
(a) Bulk Depot		R 1,000.00
(1) Certificate of registration for transportation of inflammable liquids :		
(i) vehicles not registered within Ennambithi? Ladysmith	R 2,000.00	R 2,480.00
(ii) Locally registered	R 1,000.00	R 1,300.00
(b) Dry Cleaning Room	R 170.24	R 183.85
(c) Spraying Room	R 98.20	R 1,000.00
(d) Premises other than (a), (b) and (c) above or (e) below:		
(i) Up to 2.25 kl storage capacity	R 57.72	R 750.00
(ii) Up to 4.5 kl storage capacity	R 70.54	R 810.00
(iii) Up to 22.5 kl storage capacity	R 86.20	R 874.80
(iv) Over 22.5 kl storage capacity	R 173.16	R 944.75
(e) Premises for storing liquefied petroleum gas:		
(i) Up to 230 kg capacity	R 147.50	R 750.00
(ii) 230 – 450 kg capacity	R 170.58	R 810.00

The above charges shall be payable to the Council by the person to whom the certificate of registration has been issued in terms of these bylaws in respect of the premises concerned, and shall be paid not later than the 30th day of June in each and every year, provided, however, that if liability to pay such charges arises on or after the first day of July in any year, the amount payable shall be reduced by one-half and shall be paid not later than the 31st December of the year concerned.

The annual inspection fees in regard to premises for storing liquefied petroleum gas shall be payable where the liquefied petroleum gas is stored for bulk storage or trade purposes but not where the liquefied petroleum gas is merely kept domestic or industrial purposes on the premises or for domestic use by the occupier thereof.

23. PUBLIC TRANSPORT SERVICE

Repaired.

23. CONSTRUCTION OF BRIDGES OVER STREET GUTTERS

(a) Scoop (3m wide, standard, residential)		R 4,750.58
(i) Per additional meter		
(b) Scoop (3m wide, heavy duty)		R 1,563.52
(i) Per additional meter		
(c) Light duty vehicular bridge (3m wide, standard, residential)		R 5,363.50
(i) Per additional meter		
(d) Heavy duty vehicular bridge (3m wide)		R 1,768.21
(i) Per additional 450 mm slab		
(e) Heavy duty vehicular bridge (3m wide)		R 7,040.37
(i) Per additional 450 mm slab		
(f) Scoop (3m wide, standard, residential)		R 1,174.15
(i) Per additional meter		
(g) Scoop (3m wide, heavy duty)		R 8,740.86
(i) Per additional meter		
(h) Scoop (3m wide, standard, residential)		R 1,457.58
(i) Per additional meter		

24. MISCELLANEOUS SERVICES

The following fees shall be paid in advance for the production of documents, provision of certificates, supply of plans extract information from records, etc.:

(a) Search fees and documents:		
(i) Analysis / Search fee per account	R 140.84	R 140.29
(ii) Printing of duplicate tax invoices	R 7.68	R 5.14
(iii) Plan, document, item or file produced for inspection	R 78.52	R 81.43
(iv) Certified copy of extract from Council's Minutes and/or hearing per 100 words or part thereof	R 12.80	R 13.67
(v) Purchase of Voters Roll, per copy per ward	R 12.80	R 13.57
(vi) Extracts of Bylaws / Policies . per page or part thereof	R 12.80	R 13.57
(vii) Any other certificate issued in terms of section 205 (5) of Ordinance No. 25 of 1974 for each certificate	R 25.61	R 27.14
(viii) Standard and other bylaws as per price paid by the Council for copies obtained from the Provincial		

	2016-2017	2017-2018
Administration, subject to a minimum charge of		
(ix) Purchase of valuation rolls, per copy per area	R 12.20	R 13.57
(x) Purchase of supplementary valuation rolls, per copy	R 0.00	
(xi) Rates clearance certificate per application:	R 192.05	R 203.57
Electronic		
Manual	R 326.49	R 346.06
	R 768.21	R 814.30
The electronic fees of R 326.49 is payable to the municipality and excludes the fee of R: 150.00 payable by the attorney directly to Korbtech		
(xii) Submission of Valuation objections	R 192.05	R 203.57
(xiii) Sale of Electronic Valuation Roll	R 576.15	R 619.72
(xiv) Sale of tender documents	R 585.51	R 631.24

25. ROAD TRAFFIC BYLAWS

Fees payable under the above mentioned bylaw

	2016-2017	2017-2018
(25.1) Escorting:		
(a) Abnormal Loads per officer or part thereof	R 489.72	R 525.89
(b) Events on public roads (Except Educational Institutions) per officer or part thereof	R 384.78	R 415.56
(25.2) Storage:		
(a) Storage costs of abandoned vehicles, per day or part thereof	R 104.94	R 220.00
(25.3) Summons		
(a) Serving of summonses for other local authorities not serving Ladysmith summonses free of charge, serving or attempt to serve	R 116.80	R 125.92
(25.4) Roadside assistance:		
(a) Call out cost	R 163.24	R 500.00
(b) Waiting period, per officer per 15 min or part thereof. Effective after a waiting period of 15 min.	R 384.78	R 415.56
(25.5) Traffic safety protection		
(a) Traffic safety protection at incident scene: per officer per hour or part thereof to be calculated from the time of cleaning, rescue or recovery operation commence until completion of such clean, rescue or recovery operation	R 361.46	R 390.37
(25.6) Towing		
(a) Towing of vehicles using Council's breakdown	R 1,282.00	R 1,474.99
(b) Out of CBD (distance per KM)	R 16.32	R 17.82
(25.7) Hitting of barriers: each	R 53.00	R 60.00
26. PARKING MEYER TARIFFS		
Fees payable for use of parking bays in the CBD.		
(26.1) The fees payable for hourly parking within the CBD (incl. VAT)		
(a) The first 5 minutes	FREE	FREE
(b) 10 minutes new 1 every 10 minutes	R 6.00	R 3.00
(c) 30 minutes New 3 hourly parking		R 7.00
(d) 1 hour		
(26.2) The service provider is to pay the municipality based on the following:		
(a) per a parking bay on a monthly basis (ex. VAT).	R 28.09	R 28.50
(b) Total amount to be received for 480 parking bays annually (ex. VAT)	R 155,056.80	R 194,268.00
27. AERODROME		
Fees payable for the use of the Aerodrome		
(1) The following table reflects the fees levied for aircraft landing on the airstrip.		
Minimum certified mass in KGs of the aircraft up to and including	2018/2017 Per Single Landing (ex. Vat)	NO MONTHLY
Aircraft of certified mass of 500 kg's	R 13.00	R 14.00
Aircraft of certified mass of 1000 kg's	R 20.00	R 22.00
Aircraft of certified mass of 1500 kg's	R 26.00	R 28.00
Aircraft of certified mass of 2000 kg's	R 31.00	R 33.00
Aircraft of certified mass of 2500 kg's	R 37.00	R 40.00

<p>(2) The following table reflects fees levied for the use of the parking lot at the autodrome.</p> <p>Maximum certified mass in KG's of the aircraft</p>	Aircraft of certified mass of 3000 kg's	2016-2017	2017-2018
	Aircraft of certified mass of 4000 kg's	R 43,00	R 46,00
	Aircraft of certified mass of 5000 kg's	R 61,00	R 65,00
	Aircraft of certified mass of 6000 kg's	R 76,00	R 81,00
	Aircraft of certified mass of 7000 kg's	R 93,00	R 100,00
	Aircraft of certified mass of 8000 kg's	R 0,00	R 0,00
	Aircraft of certified mass of 9000 kg's	R 127,00	R 135,00
	Aircraft of certified mass of 10000 kg's	R 142,00	R 150,00
	Aircraft of certified mass of 12000 kg's	R 161,00	R 170,00
	Aircraft of certified mass of greater than 12001 kg's	R 186,00	R 196,00
<p>(3) Passenger Service Charge</p> <p>Description</p> <p>Passenger service charge per embarking passenger where such passengers will disembark from the aircraft at an airport within the republic</p>		2016/2017	2017 / 2018
		Per 24 HRS	MONTHLY PARKING FEE
		Ex. VAT	
	Aircraft of certified mass of 50 kg's	R 10,00	R 71,02
	Aircraft of certified mass of 100 kg's	R 21,00	R 140,96
	Aircraft of certified mass of 150 kg's	R 28,00	R 212,00
	Aircraft of certified mass of 200 kg's	R 38,00	R 281,98
	Aircraft of certified mass of 250 kg's	R 57,00	R 322,96
	Aircraft of certified mass of 300 kg's	R 76,00	R 422,94
		R 17,00	R 0,00
<p>(4) Micro Light owners pay R80.00 per month or R645.00 per year payable in advance</p> <p>(5) Local Aircraft owners excluding Micro Light owner pay 50 % of tariff in (4)</p> <p>28. TOWNLANDS: REMOVAL OF SAND AND SHALE</p> <p>Fees payable for the removal of sand/shale and shale</p> <p>(1) Removal of sand,stone and shale</p> <p>(a) Sand fill</p> <p>(b) Loading by municipal plant</p> <p>(c) Shale</p> <p>(d) Dolomite</p> <p>29. NEGOTIABLE INSTRUMENTS DISHONORED PENALTY</p> <p>Penalties payable on negotiable instruments</p>		R100,00 / m3	R 0,00
		R 0,00	R 0,00
		R100,00 / m3	R100,00 / m3
		R100,00 / m3	R100,00 / m3

(1) Penalty to become payable by the cashier when a negotiable instrument which has been tendered in payment is stale possided and altered cheques upon presentation for payment

(2) Penalty to become payable by customer when a negotiable instrument which has been tendered in payment is dishonoured upon presentation for payment.

2016-2017 R 131.01
2017-2018 R 135.00

R 418.86 R 442.28

30. MOTOR VEHICLE AND VEHICLE BYLAWS

(1) Tax stand fees payable in terms of bylaw 18.10(2) per vehicle per annum

R 131.01 R 141.50

32. OMNIBUS TARIFF IN RESPECT OF RENDERING SERVICES TO PRIVATE INDIVIDUALS ORGANISATIONS

When no existing tariff exists for the rendering of services or work in connection with any of its powers to individual persons or organizations whenever required including government organizations, schools religious organizations on privately owned or Council's property etc: Cost plus 10%

31. SERVING OF SUMMONSES ON BEHALF OF OTHER MUNICIPALITIES

As per Municipal Notices 10, 2001 dated 10 April 2001.

(1) Per service

R 136.97 R 145.33

38. VALUE ADDED TAX

Value added tax is not included in these tariffs and shall be raised as applicable

33. WENDY HOUSES

Fees payable for erecting a wendy house to conduct business in the CBD

Wendy houses (per month)

Fees payable for services rendered in terms of solid waste

R 0.00

(1) Solid waste

(1) The tariff for the disposal of refuse at the Acaaleville Landfill Site-

(a) General domestic refuse, inert trade refuse, per 250kg or part thereof

R 31.50 R 35.00

(b) Mixed refuse(garden, domestic, trade refuse, including builder's rubble)250kg or part thereof

R 31.50 R 35.00

(c) Industrial sludges

(d) Acceptance of "LIGHT" SOLID WASTE (being waste with a mass of approximately 40 kg per cubic metre) at a disposal facility where a weighbridge is located - per 40 kg or part thereof.

Not excepted on site
R 35.00 R 35.00

(e) Builder's rubble and excavated material per 250kg or part thereof

R 10.30 R 12.00

(f) Bulk food waste and condemned food by a health officer per 250kg or part thereof

R 71.50 R 79.00

(g) Garden refuse, per250kg or part thereof

R 10.30 R 12.00

(h) Finely divided excavated material with the maximum stone of 10% and maximum stone size of 50MM per 250kg or part thereof

R 4.75 R 63.00

(i) Sawdust and woodwaste, per 250kg or part thereof

R 48.00 R 53.00

(2) Provide that no charges shall be payable for the disposal of.

(i) Garden refuse by bona fide householders when such refuse is conveyed in motor cars, trailers with a nominal capacity not greater than 0.5 tonnes and disposed in the garden refuse containers.

Existing Concession Existing Concession

2016-2017 2017-2018

weightbridge – per cubic metre or part thereof.

(5) Whole tyres

- (a) Acceptance of WHOLE TYRES at a disposal facility where a weightbridge is located – per 250kg or part thereof R 77.00
- (b) Acceptance of WHOLE TYRES at a disposal facility where there is no weightbridge – per cubic metre or part thereof R 83.00
- (c) Acceptance of FOODSTUFFS at a disposal facility, if condemned by the City Medical Officer of Health or his designate, and if accompanied by an officer of the CMOH. NO CHARGE

33. COMMUNITY SERVICES

Proposed tariffs of charge for the use of libraries, museums and community venues.

(1) Libraries

(a) Photocopies at all libraries

- (i) A4 R 1.00
- (ii) A3 R 1.20

All Colour copies

(b) Internet Printing - per page (A4) R 5.00

(c) Use of Library Activities room R 1.20

- (i) Business/Corporate (per an hour or part thereof) R 100.00
- (ii) Profit Making Organisations (per an hour or part thereof) R 85.00
- (iii) Non-profit Making Organisations (Free of charge during normal business hours/ex central library (per an hour or part thereof) R 45.00

(2) Training Centres

(a) Leasing of space at Social Amities

- (i) First year R 400.00
- (ii) Second year R 600.00
- (iii) Third year (Market related cost plus 7% escalation cost per year) R 636.00

(2) Stage museum

(a) Entrance Fees

- (i) Adults R 11.00
- (ii) Children (under 12 years of age) R 5.50
- (iii) School Groups R 1.00
- (iv) Entrance to Museum & Cultural Centre N/A
- (v) Pensioners R 5.00

(3) Excessive cleaning by Council after Function

(a) Excessive cleaning by Council after

(i) Function

- (ii) Hire of Theatre of dreams R 840.45
- (iii) Hire of NGRI Conference Centre R 92.14

(4) Use of Piano per function (for use only on stage)

(a) Hire Fee R 82.14

(b) Refundable Deposit R 358.20

[illegible]

Council resolves that property rates reflected below and any other municipal tax reflected in Annexure 1

Tariff Policy' and Annexure 3 'Municipal Property Rates Policy' are imposed

for the budget year 2017/2018.

PROPERTY RATES FOR 2017/2018

	Tariff	Exemption	Phasing in	Impermissi	Rebate
				R	
Residential	0.01139	No	No	100,000	No
Farms: Residential	0.01139	No	No	100,000	No
Smallholdings: Residential	0.01139	No	No	100,000	No
Commercial and Business	0.01996	No	No		No
Farms: Comm/Bus	0.01996	No	No		No
Industrial	0.01284	No	No		No
Farms: Agriculture	0.00277	No	No		No
Smallholdings: Agriculture	0.00276	No	No		No
Public Service Infrastructure		Yes	No		No
Vacant Land	0.04109	No	No		No
Rural Communal		Yes	No		No
Game Hunting and /or Eco Tourism	0.01996	No	No		No
Municipal Properties		Yes	No		No
State (Public Service Purposes)	0.02513	No	No		No
Public Benefit Organisations		Yes	No		No
Religious (Place of Public worship)		Yes	No		No
Public Open Space		Yes	No		No
Municipal Vacant Land		Yes	No		No

ALFRED DUMA LOCAL MUNICIPALITY

“The Municipality”



DRAFT

CUSTOMER CARE, CREDIT CONTROL AND DEBT COLLECTION POLICY

2017/2018

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1. DEFINITIONS

For the purpose of these by-laws, any word or expressions to which a meaning has been assigned in the Act shall bear the same meaning in these by-laws and unless the context indicates otherwise.

“Account” means any account rendered for municipal services provided;

“Act” means the Local Government: Municipal System Act 32 of 2000 as amended;

“Authorised agent” means-

- a) Any person authorised by the Municipal Council to perform any act, function or duty in terms of, or exercise any power under these By-laws; and/or
- b) Any person to whom the Municipal Council has delegated the performance of certain rights, duties and obligation in respect of providing revenue services; and/or
- c) Any person appointed by the Municipal Council in terms of a written contract as a service provider to provide revenue services to customers on its behalf, to the extent authorised in such contract;

“Chief Financial Officer” means the Chief Financial Officer of Alfred Duma Local Municipality;

“Customer” means a person with whom the Municipality or its authorised agent has concluded an agreement for the provision of municipal services;

“Defaulter” means a customer/ owner who owes arrears;

“Household” means a traditional family unit consisting of a maximum of eight persons (being a combination of four persons over the age of eighteen and four persons eighteen years or younger);

“Municipality” means the Municipality of Alfred Duma Local Municipality (KZN 238);

“Municipal Council” means the municipal Council of Alfred Duma Municipality

“Municipal Manager” means the Accounting Officer of Alfred Duma Local Municipality;

“Municipal services” means services provided by the Municipality or its authorised agent, including refuse removal, electricity services, rates and sundries or any one of the above;

“Occupier” includes any person in actual occupation of the land or premises without regard to the title under which he occupies, and, in the case of premises sub-divided and let to lodgers or various tenants, shall include the person receiving the rent payable by the lodgers or tenants whether for his/her own account or as an agent for any person entitled thereto or interested therein;

“Owner” means-

- a) the person in whom is vested the legal title to a premises;
- b) in the case where the person in whom the legal title to a premises is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
- c) in any case where the Municipality or its authorised agent is unable to determine the identity of such person, a person who is entitled to the benefit of the use of such premises or a building thereon;
- d) in the case of premises for which a lease agreement of thirty (30) years or longer has been entered into, the lessee thereof;
- e) in relation to Ingonyama Trust Board Members that owns and administers Ingonyama Trust land in terms of the KwaZulu Ingonyama Trust Act, (KwaZulu Act No 3 of 1994) (“ITA”).

“Property” means any portion of land, of which the boundaries are determined within the jurisdiction of the Municipality, defined in terms of Municipal Property Rates Act 6 of 2004 (“MPRA”) as:

- a) immovable property registered in the name of a person;
- b) a right registered against immovable property in the name of a person;
- c) a land tenure right registered in the name of a person or granted to a person in terms of legislation or;
- d) public service infrastructure.

2. **PREAMBLE**

WHEREAS section 96 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) requires a Municipality to adopt, maintain and implement a credit control, debt collection and customer care policy;

AND WHEREAS section 97 of the Systems Act prescribes what such policy must provide for; **NOW THEREFORE** the Alfred Duma Local Municipality adopts the policies as set out in this document.

3. OBJECTIVES

- 3.1 Customer Care: To create a positive relationship and co-operation between persons liable for any payment and the Municipality, and where applicable, a service provider, and to provide a pro-active way to enhance the payment of services and in response to consumers' needs.
- 3.2 Credit Control: To implement procedures, which ensure the collection of debt, meeting service targets and the prevention of escalation of arrear debt, and to provide incentives for prompt payment, as well as ensuring limited risk levels by means of effective management tools.
- 3.3 Debt Collection: To provide procedures and mechanisms to collect all monies due to Council arising from services rendered and annual levies in order to ensure financial sustainability and delivery of municipal services in the interest of the community.
- 3.4 Indigent Subsidy: To facilitate and provide funding (financial assistance) for a basic level of services that is linked to the tariff policies to qualifying households which are poor. The subsidy and qualification criteria will be a separate policy referred to in the Customer Care, Credit Control and Debt Collection Policy as the Indigent Policy.

4. PRINCIPLES

- 4.1 The administrative integrity of the Municipality must be maintained at all times. The democratically elected Councillors are responsible for policy-making, while it is the responsibility of the Municipal Manager to ensure the execution of these policies.
- 4.2 All owners must complete an official application form, formally requesting the Municipality to connect them to service supply lines.
- 4.3 A copy of the application form, conditions of services and extracts of the relevant Council's credit control and debt collection policy and by-laws must be handed to every customer on request at such fees as may be prescribed by Council.
- 4.4 Billing is to be accurate, timeous and understandable.
- 4.5 The customer is entitled to reasonable access to pay points and to a variety of reliable payment methods.
- 4.6 The customer is entitled to an efficient, effective and reasonable response to appeals, and should suffer no disadvantage during the processing of a reasonable appeal.

- 4.7 Enforcement of payment must be prompt, consistent and effective.
- 4.8 Unauthorised consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and/or the reticulation network, and fraudulent activity will lead to disconnections, penalties, loss of rights and criminal prosecutions.
- 4.9 Incentives and disincentives may be used in collection procedures.
- 4.10 The collection process will be cost effective.
- 4.11 "Best Practices" will be pursued.
- 4.12 Performance results will be regularly and efficiently reported to Council.
- 4.13 Application forms will be used to categorise customers / owners and to determine whether the customer / owner qualifies for indigent subsidy, and the method to supply electricity via pre-payment or credit electricity meters.
- 4.14 Targets for performance in both customer service and debt collection will be set and pursued and remedies implemented for non-performance.
- 4.15 Although customer care and debt collection are inter-related, two separate sections must handle them on an independent basis.
- 4.16 The customer's debt must arise out of a legal framework and must be legally collectable. The principle of providing service in lieu of payment for arrear accounts is supported.

5. DUTIES AND FUNCTIONS

5.1 The duties and functions of the Municipal Council are to:

- a) Approve a budget consistent with the needs of communities, ratepayers and residents,
- b) Impose rates and taxes and to determine service charges, fees and penalties to finance the budget;
- c) Provide sufficient funds to give access to basic services for the poorest of the poor as referred to in the Indigent Support Policy.
- d) Provide for bad debt, in line with the payment record of the community, ratepayers and residents, as reflected in the annual financial statements of the Municipality;
- e) Set an improved target for debt collection, in line with acceptable accounting ratios and the abilities of the Municipal Manager;

- f) Approve a reporting framework for credit control and debt collection;
- g) Consider and approve by-laws to give effect to Council's policy;
- h) Monitor the performance of the Executive Committee and the Municipal Manager regarding credit control and debt collection;
- i) Revise the budget should Council's targets for credit control and debt collection not be met;
- j) Take disciplinary action against officials who do not execute Council policies and by-laws;
- k) Approve a list of attorneys / in-house counsel that will act for Council in all legal matters relating to debt collection;
- l) Delegate the required authorities to monitor and execute the credit control and debt collection policy to the Executive Committee and the Municipal Manager respectively;
- m) Approve an appropriate staff structure for credit control and debt collection;
- n) Appoint debt collection agents to assist the Municipal Manager in the execution of his/her duties, if required, and
- o) Provide funds for the training of staff.

5.2 The duties and functions of the Executive Committee are to:

- a) Ensure that the Council's budget, cash flow and targets for the debt collection are met and executed in terms of the policy and relevant by-laws;
- b) Monitor the performance of the Municipal Manager in implementing Council's policy and by-laws;
- c) Review and evaluate the policy and by-laws in order to improve the efficiency of the Council's credit control and debt collection procedures, mechanisms and processes; and
- d) Report to the Council.

5.3 The duties and functions of the Municipal Manager are to:

- a) Implement good customer care management;
- b) Implement the Council's credit control and debt collection policy;
- c) Install and maintain an appropriate accounting system;
- d) Bill consumers appropriately;
- e) Demand payment on due date;
- f) Raise penalties on defaulter's accounts;
- g) Ensure that appropriate payment is received;
- h) Collect outstanding debt;
- i) Implement "Best Practices" procedures
- j) Provide different payment methods;
- k) Determine customer care, credit control and debt collection measures

- l) Determine work procedures for public relations, arrangements, disconnections of services, summonses, attachments of assets, sales in execution, writing off of bad debts, sundry debtors and legal processes;
- m) Appoint firm/s of attorneys to complete the legal process (i.e. attachments and sale in execution of assets, emolument attachment orders etc.);
- n) Set performance targets for staff;
- o) Appoint staff to execute Council's policy and By-laws in accordance with Council's staff policy;
- p) Delegate certain functions to Heads of departments;
- q) Determine control procedures;
- r) Monitor contracts with Service Providers in connection with credit control and debt collection; and
- s) Report to the Executive Committee and Council.

5.4 The duties and functions of communities, ratepayers and residents are to:

- a) Fulfil certain responsibilities, as brought about by the privilege to use and enjoy public facilities and municipal services;
- b) Pay service fees; rates on property and other taxes, levies and duties imposed by the Municipality;
- c) Observe the mechanisms and processes of the Municipality in exercising their rights;
- d) Allow municipal officials reasonable access to their property to execute municipal functions;
- e) Comply with the by-laws and other legislation of the Municipality;
- f) Refrain from tampering with municipal services and property.

5.5 Duties and Functions of Ward Councillors and Political Parties are to:

- a) Hold regular ward meetings;
- b) Adhere to and convey Council's policies to residents and ratepayers; and
- c) Adhere to Council's Code of Conduct for Councillors.

6. CUSTOMER CARE POLICY

6.1 Customer Feedback

- 6.1.1 The Municipality will, within its financial and administrative capacity, conduct an annual process of compiling its budget, which will include revised targets for credit control.
- 6.1.2 Council's Customer Care, Credit Control and Debt Collection Policy, will be available in Zulu, English and Afrikaans, and will be made available by general publication and on specific request, and will also be available at Council's offices for perusal.

- 6.1.3 Council will endeavour to distribute a regular newsletter, which will give prominence to customer care and debt issues.
- 6.1.4 Ward Councillors will be required to hold regular ward meetings, at which customer care and debt issues will be given prominence.
- 6.1.5 The press will be encouraged to give prominence to Council's Customer Care and Debt issues, and will be invited to Council meetings where these are discussed.

6.2 Handling of Complaints

- 6.2.1 Council aims to establish:
 - a) A customer care unit;
 - b) A centralised complaints database to enhance co-ordination of complaints, their speedy resolution and effective communication with customers;
 - c) Appropriate training for officials dealing with the public to enhance communications and service delivery; and
 - d) A communication mechanism to give Council feedback on service, debt and other issues of concern.

6.3 Metering

- 6.3.1 The Alfred Duma Local Municipality reserves the right to supply electricity to any consumer by means of a pre-paid or conventional meter, whichever is deemed more economical.
- 6.3.2 The Municipality or its authorised agent must in respect of municipal services that can be metered, endeavour to meter all customer connections.
- 6.3.3 All meters will be read on a quarterly (three monthly) basis. If a service is not measured, the Municipality or its authorised agent may, determine the amount due and payable by a customer for municipal services supplied to him/her in the following manner:
 - a) Shared consumption; or if not possible
 - b) Estimated / average consumption.
- 6.3.4 Customers are entitled to request verification of meter readings and accuracy, but may be held liable for the cost thereof as per Council's approved tariff of charges.
- 6.3.5 Customers will be informed of meter replacements as and when needed.

6.3.6 If a service is metered but it cannot be read due to financial and human resource constraints or circumstances out of the control of the Municipality or its authorised agent, and the customer is charged for an average consumption, the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustment. If the meter reading problem cannot be resolved, the credit electrical meter will be replaced with a pre-paid electricity meter.

6.4 Accounts and Billing

- 6.4.1 The customer may receive more than one account for different municipal services if they are accounted for separately.
- 6.4.2 Accounts will be produced in accordance with the meter reading cycle and due dates are linked to the statement date.
- 6.4.3 Accounts will be rendered monthly to customers at the address last recorded with the Municipality or its authorised agent.
- 6.4.4 Failure to receive or accept an account does not relieve a customer of the obligation to pay any amount due and payable (i.e. it remains the client's responsibility to ascertain any amounts payable).
- 6.4.5 Accounts must be paid not later than the last date for payment specified in such account.
- 6.4.6 Where an account is not settled in full, any lesser amount tendered to and accepted shall not be deemed to be in final settlement of such an account.
- 6.4.7 Where any payment made to the Municipality or its authorised agent by negotiable instrument is later dishonoured by the bank, the Municipality or its authorised agent:
- a) may recover the average bank charges incurred relating to dishonoured negotiable instruments against the account of the customer; and
 - b) shall regard such an event as default on payment, and services **will** be disconnected immediately.
 - c) no further cheque payments **will** be accepted after a cheque is returned by the bank for whatever reason.
 - d) cost in terms of tariff of charges **will** be recovered from the cashier employed by the Alfred Duma Local Municipality if he or she accepts a post-dated unsigned cheque.

- 6.4.8 The Municipality or its authorised agent must, if administratively possible, issue a duplicate account to a customer on request on the condition that the average costs incurred for issuing the duplicate account may be recovered from the customer.
- 6.4.9 Accounts must contain at least the following:
- a) The amount due and payable for any other municipal service;
 - b) The applicable tariff;
 - c) The amount in arrears, if any;
 - d) The interest payable on any arrears, if any;
 - e) Collection charges if any
 - f) The final date for payment;
 - g) The methods, places and approved agents where payment may be made.
- 6.4.10 Every refuse tariff will be consolidated with the respective rates account per erf, and provided to owners of properties, not tenants – CONSOLIDATED ACCOUNTS WILL NOT BE UNCONSOLIDATED.
- 6.4.11 New services and rates accounts will only be entered into with the owner of the property where the services is required, and the installation of a pre-paid electricity meter is compulsory.
- 6.4.12 In the event of a spouse passing on, the remaining spouse will not be regarded as a new owner for the purpose of paying connection fees and converting to pre-paid electricity with the provision that spouse inherit the property or is the co-registered owner.
- 6.4.13 The Municipality may –
- a) Consolidate any separate accounts of persons liable for payments to the Municipality;
 - b) Credit a payment by such a person against any account of that person; and
 - c) Implement any of the debt collection and credit control measures provided for in terms of the Local Government: Municipal Systems Act 32 of 2000 in relation to any arrears on any of the accounts of such a person.

6.5 Enquiries, Appeals and Service Complaints

- 6.5.1 If a customer believes that his/her account is inaccurate, he/she can lodge a query with the Municipality for investigation of this account in the prescribed format, as set by the Municipality. Where necessary the relevant alterations will be effected within 30 days.

- 6.5.2 A query or complaint must be accompanied by the payment of the average of the last three months' accounts where history of the account is available or an estimated amount provided by the Municipality before payment due date until the matter is resolved.
- 6.5.3 The Municipality or its authorised agent will:
- a) Investigate or cause the query or complaint to be investigated;
 - b) And, must inform the customer in writing, sms or telephonically of its finding within one month after the query or complaint was registered.
- 6.5.4 Failure to make such agreed interim payment would make the customer liable for disconnection or other normal credit control procedures, together with the applicable fees.
- 6.5.5 A customer may appeal against a finding of the Municipality or its authorised agent in terms of section 6.5.1 in writing, on the prescribed form.
- 6.5.6 An appeal and request in terms of subsection 6.5.5 must be made in writing and lodged with the Municipality within (twenty-one) 21 days after the customer became aware of such finding referred to in section and must:
- a) Set out the reasons for the appeal; and
 - b) Be accompanied by any security determined for the testing of a measuring device, if applicable.
- 6.6 Payment Facilities and Methods**
- 6.6.1 The Municipality or its authorised agent will operate and maintain suitable pay-point facilities, and these facilities will be accessible to all users for payment of accounts and pre-paid electricity purchases.
- 6.6.2 The Municipality will, at its discretion, allocate a payment made by a debtor of an amount less than the total amount due in order to service debts. A debtor may not specify that a payment is for a specific portion or service of the account. The payment may be allocated to any hand-over account for legal collection and the current account disconnected for arrears.
- 6.6.3 The Municipality may, with the consent of a customer, approach an employer to secure a debit or stop order arrangement.
- 6.6.4 The customer will acknowledge, in the customer agreements that the use of customer agents in the transmission of payments to the Municipality is at the risk and cost of the customer. This is

also applicable for the transfer time of the payment, and payment will only reflect for credit control purposes once credited to the specified debtors account.

6.7 Performance Targets

6.7.1 Council will create a mechanism wherein these targets are assessed. Council's performance is evaluated and remedial steps taken.

6.7.2 Income Collection Targets

Council must create targets that include reduction in present monthly increase in debt, in line with performance agreements determined by Council.

6.7.3 Customer Service Targets

Council must create targets that would include:

- a) Response time to customer queries.
- b) Date of first account delivery to new customers.
- c) Reconnection time elapse.
- d) Meter reading cycle.

6.7.4 Administrative Performance

Council is to create targets that will include:

- a) Cost efficiency of debt collection;
- b) Query and appeal periods; and
- c) Enforcement mechanism ratios.

7. CREDIT CONTROL POLICY

7.1 Service Application & Connection

- a) All owners of properties will be required to sign an agreement governing the supply and cost of municipal services. The Municipality will strive to consolidate all service accounts to the owners account. Pre-Paid Electricity meters will be installed for all new connections.
- b) All identified Government properties will be required to enter into a service contract for rates and refuse. The contract for rates and services will only be entered into in the name of the registered owner by the identified authorised official.

7.1.1 Installation of pre-paid electricity meters if electricity supplied

- a) That any transfer of property to new owners be subject to an installation of a pre-paid electricity meter (cost paid by the owner). That any defaulter on the disconnection list, be equipped with a pre-paid electricity meter (cost paid by the owner).

- b) Any credit electricity meter, where access to read the meter is restricted by the owner will be replaced by a pre-paid electricity meter (cost to be paid by the owner).
- c) Faulty credit meters will be replaced with the pre-paid wherever practical (cost to be borne by council).
- d) Credit meter customers (residential and commercial) using less than 200 kWh per month be replaced with a pre-paid meter at the discretion of the Department of Infrastructure and Services (cost to be borne by Council).
- e) Bulk replacement of credit meters is initiated to areas where it is deemed impractical to continue reading these meters due to the high concentration of pre-paid meters in existence (cost to be borne by council).
- f) Installation of Smart Metering will be implemented by Council. All electricity meters to be converted to Smart Metering after a feasibility study is done (cost to be borne by Council).
- g) The electricity meters of domestic customers in Alfred Duma Local Municipality jurisdiction area using in excess of 1 000 kWh per month (based on a 12-month average) be replaced with smart meters and be placed on a Time of Use tariff (cost to be borne by Council).

7.1.2 Prior to the signing of these agreements, customers will be entitled to receive the policy document of the Council on a request at a cost determined by Council.

7.1.3 On signing of the agreement, customers will receive a copy of the agreement for their records.

7.1.4 All identified Government properties will be required to enter into a service contract for rates and refuse. The contract for rates and services will only be entered into under the name of the registered owner identified by the authorised official.

7.1.5 In the agreement customers will acknowledge liability for costs of collection, interest, penalties and any other cost contained in the by-laws to collect outstanding monies, in the event of late payment.

7.1.6 Existing customer will be required to sign new agreements as determined by the Municipal Manager from time to time to update the Municipal records.

7.1.7 With respect to residential registrations, the owner of the property must produce the following documents:

- a) Certified copy of identity document or passport
- b) A letter from the transferring attorney confirming ownership or copy of the Title Deed and
- c) Rateable details or rate number of the property if available.

7.1.8 With respect to commercial registrations the following documents must be produced:

- a) The Certificate of Registration or Incorporation of the Company, CC, Trust, or Partnership. In addition, in the case of company, the CM29;
- b) Certified copy of the identity document or passport of one of the directors, members, trustees or owners in the case of a sole proprietor, who would open an account.
- c) Letters of authority in the case of a partnership or sole proprietor.
- d) The Council reserves the right to request personal cashback deposit from one or more of the Directors / Members of a company or CC whenever it deems this to be appropriate.
- e) Proof that the business is duly registered as a business levy payer or is exempted there from.
- f) VAT registration numbers if applicable.
- g) Proof of ownership of property.

7.1.9 All commercial and domestic new connections will be in the owner's name only.

7.2 Customer Screening and Securities/Deposits

7.2.1 All applicants will be checked for credit-worthiness. This will include checking information from banks, credit bureaus, local authorities, trade creditors, employers and references supplied by consumers.

7.2.2 Security deposits in cash acceptable to the Municipality will be required, and may vary according to the risk. The average deposit for new connections will be determined on application for services to be rendered.

7.2.3 Deposits and level of services can vary according to the credit-worthiness or legal category of the applicant.

7.2.4 The Municipality can increase deposits at any time and at the sole discretion of the Municipality not to be more than two and half times the monetary value of the most recent consolidated accounts for services of the premises for which an application is made.

7.2.5 An amount deposited with the Municipality shall not be regarded as being in payment or part payment of an account due for services rendered.

7.2.6 No interest shall be payable by the Municipality or its authorised agent on any deposit held.

7.2.7 On the termination of the agreement the amount of the deposit less any outstanding amount due to the Municipality will be refunded to the consumer. A deposit shall be forfeited to the Municipality if the customer has not claimed it within 12 (twelve) months of termination of agreement.

7.3 Consolidated Accounts

Customers will receive an accurate bill from the Municipality. Such bill will consolidate all service costs for that property, and the Municipality may credit all payments received from such a person to any service and order of preference as determined by Council from time to time.

7.4 Arrears

The Municipality shall have the right to restrict or discontinue the supply of services or to implement any other debt collection action necessary due to late or non-payment of accounts, relating to any consumer, owner or property. All accounts which are in arrears below R500.00 will be notified to make the necessary payment, failure to make payment will result in the electricity supply being blocked or restricted. If the customer further neglects to payment, the electricity supply will be disconnected.

7.4.1 Electricity supply will be blocked, restricted or disconnected at the discretion of the Municipality for any arrears with any service attached to the lot or erf exceeding R500.00 or as decided by the Credit Control Action Committee from time to time as deemed necessary.

7.4.2 Interest charged – refer to paragraph 8.1.2.

7.4.3 Any dispute, concerning any amount charged between the Municipality and the person referred to, will result in the same procedures being applied as indicated in paragraph 6.5.

7.4.4 A staff member of the Municipality may not be in arrears to the Municipality for rates and service charges for a period longer than three (3) months, and the Municipality may deduct any outstanding amounts from a staff member's salary after this period.

7.4.5 A Councillor may not be in arrears for rates and service charges for a period longer than three (3) months.

7.5 Incentives for Prompt Payments

7.5.1 The Municipal Council may institute incentive schemes to encourage prompt payment.

7.5.2 Such incentive schemes, if introduced, will be reflected in annual budgets as additional expenditure.

7.6 Right to Access Premises

- 7.6.1 The owner and /or occupier of property is to allow an authorised representative of the Municipality access at all reasonable hours to the property in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any service.
- 7.6.2 The owner is responsible for the cost of relocating the existing electricity meter if satisfactory access is not possible.
- 7.6.3 If a person fails to comply with 7.6.1 the Municipality or its authorised representative may:
- a) By written notice require such person to restore access at his/her own expense within a specified period.
 - b) If it is the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.
 - c) All credit electricity meters without access will be replaced by a pre-paid electricity meter at the cost of the owner.

7.7 Different Categories of Debtors

Customers will be categorised according to certain classifications based on the type of entity, use of services, levels of services, infrastructure requirements and applicable tariffs and risk levels.

8. DEBT COLLECTION POLICY

8.1 Enforcement Mechanisms

8.1.1 Interruption of Service

- a) Customers who are in arrears with their municipal account and who have not made arrangements with Council will have their supply of electricity and other municipal services suspended or disconnected. A pre-paid electricity meter will be installed at the owner's expense based on the tariffs as set by Council at the beginning of the financial year.
- b) Council reserves the right to deny, restrict, or block the sale of electricity to customers who are in arrears with their rates or other municipal charges.
- c) The disconnection of services may commence when the municipal account is one (1) day overdue.
- d) Upon payment of arrears, or the conclusion of acceptable arrangements for term payment, the service will be reconnected as soon as possible –
 - i. If paid before 13:00 reconnection will be on the same day (noting emergency power failures take preference).

- ii. If paid after 13:00 reconnection will be on the next working day (noting emergency power failures take reference).
 - iii. If the electricity service (cable or meter) has been removed, it will be treated as a new connection, and only be reconnected as soon as possible when all outstanding debt is paid.
 - iv. The Credit Control Manager has the right to evaluate and reconnect electricity supply outside of the above prescribed times in case of emergency as and when required, with an after hour reconnection fee applicable.
- e) The cost of the restriction or disconnection, and the reconnection, will be determined by tariffs approved by Council, and will be payable by the customer.
- f) The deposit of any defaulter will be adjusted to be brought into line with relevant policies.
- g) If the tenant of any property is in arrears for sixty (60) days or more with their accounts, the electricity and refuse account will be consolidated with the owner's account and the cable or meter (conventional or pre-paid) will be removed. Reconnection will only take place once all arrears have been settled and a new contract entered into by the owner. The reinstating of the service will be added to the waiting list for services.

8.1.2 Interest and Penalties

Interest will be charged in terms of the Local Government: Municipal Systems Act section 75A(b) and Local Government: Municipal Finance Management Act sections 64(2)(g) and 97(1)(e) on all accounts not paid by the due date in accordance with applicable legislation, and Council's yearly Budget Resolution. Penalties will be charged on handed over accounts in accordance with Council's yearly Budget Resolution.

8.1.3 Personal Contact

- a) The costs of telephonic contact by (fax, e-mail, SMS or otherwise) whichever is deemed most cost effective, will be recovered from the recipient of such notice.
- b) Approved agents' costs when collecting on behalf of Council calling on clients will be recovered from each debtor.
- c) Council will endeavour, within the constraints of affordability, to make personal or telephonic contact with all arrear debtors to encourage their payment, and inform them of their arrears state, and their rights (if any) to conclude arrangements or to indigence subsidies, other related matters and will provide information on how and where to access such arrangements or subsidies. It remains the responsibility of the customer to provide and update contact details.
- d) Such contact is not a right for debtors to enjoy and disconnection of services and other collection proceedings will continue in the absence of such contact for whatever reason.

- e) All cost incurred for recovery of arrear debt is payable immediately by the customer/owner, before reconnection takes place.

8.1.4 Legal Process /Use of Attorneys / Use of Credit Bureaus

Council may, when a debtor is sixty (60) days in arrears, commence legal process against that debtor. This process may involve final demands, summonses, court trials, warrant of execution judgements, garnishee orders and/or sales in execution of movable and immovable property. Government Properties will only be handed over to Legal if all Inter Governmental Relations (IGR) process have failed.

- a) Council will exercise strict control over this process, to ensure the accuracy and legality within it, and will require regular reports on progress from outside parties, be they attorneys or any other collection agents appointed by Council or the in-house legal section.
- b) Council will establish procedures and codes of conduct with these outside parties collecting arrear debt on behalf of Council.
- c) Garnishee orders, in the case of employed debtors, are preferred to sale in execution, but both are part of Council's system of debt collection procedures.
- d) All steps in the credit control procedure will be recorded for Council's records and for the information of the debtor.
- e) All costs of this process are for the account of the debtor.
- f) Individual debtor accounts are protected and are not subject of public information. However, Council may release debtor information to credit bureaus. This release will be in writing or by electronic means.
- g) Council may consider the cost effectiveness of the legal process, and will receive reports on relevant matters, including cost effectiveness.
- h) Council may consider the use of agents, and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or service providers; and will be closely monitored by Council.
- i) Customers will be informed of the powers and duties of such agents or service providers and their responsibilities including their responsibility to observe agreed codes of conduct.
- j) Any agreement concluded with an agent, product vendor or service provider, shall include a clause whereby breaches of the code of conduct by the agent or vendor constitute a breach of contract.
- k) On default by a owner, the tenant will be the debtor of last resort.

8.1.5 Estate Accounts Collection

- a) The accounts of debtors who are insolvent, under administration or deceased are dealt with according to normal legal practices by collection staff of the municipality. Unsuccessful claims must be submitted to the Mayor, FPC, EXCO and Council for approval to be written off.
- b) Estates without formalised legal status: In numerous cases the head of a household has died without leaving a will indicating to whom ownership of the family residence is to be transferred upon the event of his/her death or the owner of the property has abandoned his/her family to fend for themselves. As these exceptions are not provided for in the normal legal practice, the following process will be followed in such cases:
 - i. The remaining family must report the situation to the Municipality's collection office, who will require the relevant documentation to be obtained by the family e.g. a death certificate, and an order of the local Magistrate allocating right of ownership to someone of the surviving family in the case of a deceased estate; or an order of the local Magistrate allocating right of ownership to someone in the abandoned family.
- c) In all of these cases, extension for the payment of the arrears as at the date of notification will be given by the debt collectors of the Finance department, disconnected electricity will be reconnected and the remaining family will be expected to pay all amounts levied on monthly current accounts in excess of the amount of the extension until such time as the matter has been finalised. This will prevent any further service restrictions or collection actions at the residence whilst the family are in the process of legalising ownership of the property.
- d) As soon as ownership has been officially allocated by the Magistrate, the documentation must be presented to the Municipality's collection office, who will then change the name of the account to that of the new owner. The new owner will also be encouraged to make an arrangement for the payment of the arrears to prevent credit control and collection action from being taken by the Municipality. *Alternatively*, if the family qualifies to be registered for assistance in terms of the municipality's Indigent Policy, they may apply for that, and after registration their arrears shall be dealt with in terms of that policy.
- e) Unsuccessful claims must be submitted to the Mayor, FPC, EXCO and Council for approval to be written off.
- f) This process is intended to accommodate families and child headed households who may also qualify to be registered in terms of the Council's Indigent Policy.

8.2 Cost of Collection

All costs of legal processes, including interest, penalties, service discontinuation costs and legal costs (charged at point of hand over through legal processes) associated with credit control are for the account of the debtor and should reflect at least the average cost of the particular action.

8.3 Rates Clearance

On the sale of property in the municipal jurisdiction, Council shall withhold a rates clearance certificate until all rates and service charges are paid in full and final settlement of the relevant account for the two years preceding the request for the rates clearance certificate. The conveyancer, seller, and purchaser must acknowledge in writing that the seller and purchaser were informed of any arrears prior to the two years applicable in terms of section 118 of the Systems Act, and indicate full contact details and identity numbers for the seller and purchaser. **Arrears will be for the account of the last registered owner.**

8.4 Arrangements for Settlement

8.4.1 If a customer cannot pay his/her outstanding account in full with the municipality, he/she may enter into an extended term of payment with the municipality after the following is done:

- a) Signing of surety/arrangement form,
- b) Signing of an acknowledgement of debt form,
- c) Submitting a copy of the owner/s I.D/s, and/or executorship letter if owner is deceased.
- d) Submitting proof of income

8.4.2 He/she must pay the current portion of the account in full and a period be set for the outstanding amount to be paid as may be determine by the Accounting Officer or the Chief Financial Officer.

8.4.3 Any arrangement for payment of arrears in terms of this Policy must be negotiated within the following framework or as per the provision of clause 6.4.2:

a) Private Households:

- An amount equal to 10% of the total outstanding debt shall be payable upfront as deposit.
- The period of the arrangement shall be determined by the Accounting Officer or the Chief Financial Officer, however the debtor shall not be allowed to redeem arrears over a period in excess of 12 months.
- In cases where the debtor indicates that the calculated payment is not affordable, the terms of arrangement shall be at the Accounting Officer's discretion or his authorised representative.
- Once the debtor has entered into an arrangement with the municipality in terms of this policy, all credit control actions, including legal processes, will be suspended until the debt is settled in full. The debtor will also bear any cost incurred prior to entering into an arrangement with the municipality.

b) Businesses

- No arrangement will be made for businesses.

8.4.4 If the debtor breaches any material term of an arrangement, the total outstanding balance including interest raised on such account, shall immediately become due and payable to the municipality and any applicable action to recover the debt in terms of this policy shall be applied immediately.

8.4.5 No arrangement will be made for a debtor with electricity consumption arrears, unless he/she agrees to the conversion to prepayment electricity meter, if and when implemented the cost of which, and the total arrears, will be paid off, as Council deems appropriate, either by:

- a) adding the debt to the arrears bill and repaying it in full or over arrangement period; or
- b) adding it as a surcharge to the prepaid electricity cost, repaying it with each purchase of electricity until the debt is settled.

8.4 Abandonment of Claims

8.4.1 The Municipal Manager must ensure that all cost effective avenues are utilised to collect the Municipality's debt.

8.4.2 There are some circumstances that allow for the valid termination of debt collection procedures:

- a) The insolvency of the debtor, whose estate has insufficient funds;
- b) A balance being too small to recover, for economic reasons considering the cost of recovery;
- c) Where Council deems that a customer or group of customers are unable to pay for services rendered;
- d) Prescription of debt;
- e) When a debtor with an inactive account cannot be traced;
- f) All reasonable notifications and legal actions to recover the outstanding amount have been exhausted.
- g) The amount outstanding is the residue after payment of dividend in the rand from an insolvent estate;
- h) It is impossible to prove the debt outstanding; or
- i) The outstanding amount cannot be recovered due to an administrative error by Council.

8.4.3 The Municipality will maintain audit trails in such an instance, and document the reasons for the abandonment in respect of the debt. The schedules setting out particulars of the debt and the reasons for abandonment or write off, together with a written request to approve it to be written off, must be presented to the Chief Financial Officer for submission to the Mayor, FPC, EXCO and Council for approval.

9. CUSTOMER ASSISTANCE PROGRAMMES:

9.1 THE INDIGENT POLICY WILL BE REFERRED TO AS A SEPARATE POLICY FROM 2016/2017.

9.2 Rate Rebates

9.2.1 Property used exclusively for residential purposes may qualify for a rebated rate determined annually by Council.

9.2.2 A rate rebate may be granted according to certain qualifying criteria to social pensioners or the receiver of a state disability grant and/or any category of customer, as determined by Council from time to time.

9.3 Rates by Instalments

Customers will pay the property rates and refuse account monthly, over eleven (11) months at no interest, on the condition that there are no rates outstanding in respect of the previous period and that the rates are paid in full prior to the next rates cycle.

9.4 Indigent Subsidy

The relief conditions for rates and services for Indigent Customers will be stipulated in the policy named the Indigent Policy of the Alfred Duma Local Municipality.

9.5 Relief in certain circumstances

Council may approve during the yearly budget process relieve for rates and refuse for owners who are medically boarded, pensioners and disabled persons and child headed households on application.

10. REPORTING

10.1 The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to Council. This report shall contain particulars on:

- a) Cash flow information for capital and operating accounts, and the combined situation, showing Council's actual performance against its cash flow budgets.
- b) Cash collection statistics, showing high level debt recovery information (numbers of customers; enquires; default arrangements; growth or reduction of arrear debtors; ideally divided into wards, business (commerce and industry) domestic, state, institutional and other such divisions.
- c) Council's ongoing income and expenditure statements, comparing both billed income and cash receipt income, against ongoing expenditure in both the capital and operating accounts.

- 10.2 If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent of the income projected in the annual budget as approved by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who will, if he agrees with the Chief Financial Officer, immediately move for a revision of the budget according to realistically realisable income levels.

11. PERFORMANCE EVALUATION

Refer – Performance Targets, paragraph 6.7.

12. TERMINATION OF SERVICE OR RESTRICTION

Refer – Interruption of services, paragraph 8.1.1.

13. UNAUTHORISED CONSUMPTION / TAMPERING / THEFT OF SERVICES

- 13.1 Any person (natural or juristic) found to be illegally connected to municipal services, tampering with meters, the reticulation network or any other supply equipment, or committing any unauthorised actions associated with the supply of municipal services, as well as theft and damage to Council property/infrastructure, will be prosecuted and/or held liable for penalties as contained in the Municipal by-laws.
- 13.2 Council will immediately terminate the supply of services to such a customer should such conduct as outlined above be detected.
- 13.3 The total bill owing, including: penalties, assessment of unauthorised consumption and discontinuation and reconnection fees, and increased deposits as determined by Council if applicable, becomes due and payable before any reconnection may be approved. No arrangements will be entered into unless authorised by the Municipal Manager or his/her delegate.
- 13.4 Council will maintain monitoring systems and teams to detect and survey customers who are undertaking such illegal actions.
- 13.5 Council may distinguish in its penalties between cases of vandalism and/or cases of theft.
- a) Council reserves the rights to lay charges and/or to take legal action against both vandals and thieves;
 - b) Any person failing to provide information or providing false information to the Municipality may face immediate disconnection.

14. BAD DEBTS

- 14.1 Refer to paragraph 6.5.3.
- 14.2 Should there be a payment in respect of the account which has already been written off, such monies must be allocated to the specific vote number designed for the recoverable debts, and will not be refunded or credit to the customer.
- 14.3 Council may from time to time implement an incentive scheme which may entail writing off of certain debts.

15. DELEGATIONS

- 15.1 The Chief Financial Officer be delegated to write off all irrecoverable debts up to the value of R500.00.
- 15.2 All debts above the value of R500.00 be referred to the Executive Mayor for approval to write off as irrecoverable.

POLICY ADOPTION

This Policy is adopted and approved by the full Council of Alfred Duma Local Municipality for implementation as follows.

Resolution Number _____

Approval Date _____

EFFECTIVE DATE

This Policy shall become effective as from the following Date: _____



PROPERTY RATES POLICY

2017/2018

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1. Abbreviations

Constitution	The Constitution of the Republic of South Africa 180 of 1996
Council	Alfred Duma Local Council
ITB	Ingonyama Trust Board
ITB land	Land administered by the Ingonyama Trust Board
MFMA	Local Government: Municipal Finance Management Act 56 of 2003
MPRA	Local Government: Municipal Property Rates Act 6 of 2004
Multiple use properties	Properties used for multiple purposes as considered in s9(c) of MPRA
Municipality	The Alfred Duma Local Municipality
PBOs	Public Benefit Organisations
PSP	Public service purposes
Structures Act	Municipal Structures Act 117 of 1998
Systems Act	Municipal Systems Act 32 of 2000

2. Definitions

Any wording in this policy, if included in the definitions as listed in the Local Government Municipal Property Act, Act 6 of 2004, as amended will carry the same meaning unless stated otherwise hereunder:-

Business/Commercial, in relation to a property, means the use of a property for the activity of buying, selling or trading in commodities or services on an erf and includes any office or other accommodation on the same erf, the use of which is incidental to such activity, inclusive of a hotel or motel or Bed & Breakfast/guesthouse and eco-tourism but does not include the business of agriculture, farming, or any other business consisting of the cultivation of soils, the gathering in of crops, the rearing of livestock or the propagation and harvesting of fish or other aquatic organisms, including businesses outside the old boundary of the previous Emnambithi/Ladysmith Municipality (Ladysmith, Ezakheni, Ezakheni Industrial Estate, Steadville, Colenso, Nkanyezi and Van Reenen) and within the Alfred Duma Local Municipal demarcation.

Child means a person under the age of 18 years, who is also unemployed.

Child-headed household is a household where a child (blood relative of property owner) is responsible for the care of his / her siblings or incapacitated parents.

Developer means a Township Developer, who is the owner of a property for which subdivisions have been approved for transfer in terms of Act 6 of 2008, or other legislation.

Disabled means a person who qualifies to receive relief under the Social Services Act 59 of 1992, or who has been certified as disabled by a medical practitioner.

Farm Agricultural in relation to property means the use of a property for farming activities without derogating from section 9 but excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game and includes the business of agriculture, farming or any other business consisting of the cultivating of soils, the gathering in of crops, the rearing of livestock or the propagation and harvesting of fish or other aquatic organisms, and/or land within a Game Reserve, reserved for future eco-tourism as defined in this policy.

Farm Commercial in relation to a property, means the use of a property for the activity of buying, selling or trading in commodities or services on an erf and includes any office or other accommodation on the same erf, the use of which is incidental to such activity, inclusive of a hotel or motel or Bed & Breakfast/guesthouse and eco-tourism but does not include the business of agriculture, farming, or any other business consisting of the cultivation of soils, the gathering in of crops, the rearing of livestock or the propagation and harvesting of fish or other aquatic organisms, including businesses outside the old boundary of the previous Emnambithi/Ladysmith Municipality (Ladysmith, Ezakheni, Ezakheni Industrial Estate, Steadville, Colenso, Nkanyezi and Van Reenen) and within the Alfred Duma Local Municipal demarcation.

Farm Residential means a property having a suite of rooms, which forms a living unit that is used for human habitation purposes or a multiple number of such units, excluding a hotel or motel, Bed and Breakfast, lodges, including farm properties and/or small holdings used exclusively for this purpose. This property must be included in the valuation roll in terms of the MPRA Section 48 (2)(b), in respect of which the primary use or permitted use is for residential purposes without derogating from Section 9 (Amended by s1 of Act 29 of 2014).

Industrial, in relation to a property, means the use of a property for a branch of trade or manufacturing, production, assembly or processing of finished or partially finished products from raw materials or fabricated parts, including any office or other accommodation on the erf, the use of which is incidental to the use of the factory.

Market value of a property is the amount the property would have realised if sold on the date of valuation on the open market by a willing seller to a willing buyer. (See section 46 of MPRA).

Medically boarded is a person who, due to medical reasons, has retired prematurely.

Municipal domestic means municipal property used by the Municipality for its own purpose in order to serve the public including vacant land.

PBO means an organisation using a property, in the ownership of such organisation, for any specific public benefit activity listed in Part 1 of the Ninth schedule to the Income Tax Act includes a private school which is registered with the relevant authorities as a public benefit organisation, with a Tax Clearance Certificate from SARS.

Pensioner means a person who is registered for and in receipt of a social pension; or a person 60 years of age or older.

Place of public worship in relation to property, including vacant land, means a property registered in the name of a religious community, and used primarily as a place of worship by that religious community, including an official residence occupied by an office-bearer of that community, who officiates at services and gatherings at that place of worship.

Residential property, means a property having a suite of rooms, which forms a living unit that is used for human habitation purposes or a multiple number of such units including farm properties and land on which no immovable improvements have been erected which is situated outside the old boundaries of the previous Emnambithi/Ladysmith Municipality (Ladysmith, Ezakheni, Ezakheni Industrial Estate, Steadville, Colenso, Nkanyezi and Van Reenen) and within the Alfred Duma Local Municipal demarcation and/or small holdings used exclusively for this purpose. This property must be included in the valuation roll in terms of the MPRA Section 48 (2)(b), in respect of which the primary use or permitted use is for residential purposes without derogating from Section 9 (Amended by s1 of Act 29 of 2014).

Rural communal, in relation to property, means:

(a) property having a suite of rooms which forms a living unit that is used for human habitation purposes or a multiple number of such units, and land on which no immovable improvements have been erected which is situated outside the old boundaries of the previous Emnambithi/Ladysmith Municipality (Ladysmith, Ezakheni, Ezakheni Industrial Estate, Steadville, Colenso, Nkanyezi and Van Reenen) and within the Alfred Duma Local Municipal demarcation and excludes a Hotel, Bed and Breakfast and lodge or Motel or a property categorized as Business or State and excluding farm properties and/or small holdings as defined in residential.

(b) includes-

(i) any land or real right in land held over land owned by Ingonyama Trust Board contemplated in section 4A(4) of the Ingonyama Trust Act, 1994;

(ii) any land owned by ITB that is subject to an agreement of lease registered with the

Registrar of Deeds; and

- (iii) any land that is subject to an agreement of lease for a period in excess of 10 years, which is registered with the Ingonyama Trust Board.

Small Holding (Agricultural) in relation to property means the use of a property for farming activities without derogating from section 9 but excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game and includes the business of agriculture, farming or any other business consisting of the cultivating of soils, the gathering in of crops, the rearing of livestock or the propagation and harvesting of fish or other aquatic organisms, and/or land within a Game Reserve, reserved for future eco-tourism as defined in this policy.

Small Holding (Residential) means a property having a suite of rooms, which forms a living unit that is used for human habitation purposes or a multiple number of such units, excluding a hotel or motel, Bed and Breakfast, lodges, including farm properties and/or small holdings used exclusively for this purpose. This property must be included in the valuation roll in terms of the MPRA Section 48 (2)(b), in respect of which the primary use or permitted use is for residential purposes without derogating from Section 9 (Amended by s1 of Act 29 of 2014).

Urban area in relation to property means properties are situated within the boundaries of the previous E, and Alfred Duma Local Municipality. Please see www.demarcation.org.za for maps.

Vacant land means property on which no immovable improvements have been constructed, or any immovable improvements which are not yet occupied since commencement of construction, which include land outside the old boundaries of Alfred Duma Local Municipality.

3. Introduction

The Municipality is empowered to levy rates on properties within its jurisdiction, and is obligated to adopt and implement a policy on such levying of rates on rateable property. This policy is aimed at enhancing certainty, uniformity, and simplicity within the Municipal community. Cognisance will be taken of the burden of rates on the poor, as well as on respective property owners.

The market value of rateable properties within the Municipality's jurisdiction shall be recorded in the valuation roll, or supplementary valuation roll/s. As part of the annual budgeting process, the Municipality shall impose a rate in the Rand on such market value. Rateable property includes any rights registered against a property, but excluding a mortgage bond. Some properties are exempt from being rateable.

This policy shall be reviewed and amended as necessary annually. The by-laws give effect to such rates policy.

4. Objectives

- 4.1 Prioritising service delivery and developmentally promoting the economic and financial viability of the Municipality;
- 4.2 Providing local government with a sufficient and buoyant source of revenue in order to fulfil its developmental responsibilities; and
- 4.3 Exercising municipal power to levy rates within a statutory framework.

Further, this Municipality is committed to:

- 4.4 Charging rates on all rateable property; while
- 4.5 Treating owners in the same category equitably;
- 4.6 Levying differing rates for differing properties, as appropriate;
- 4.7 Exempting certain owners / properties from being subject to payment of rates, in order to be equitable; or
- 4.8 Granting rebates to certain categories of owners / on certain categories of properties;
- 4.9 Taking into account the effect of rates on public service infrastructure; and
- 4.10 Justifiably granting exemptions, rebates, and/or reductions only in terms of section 15 of the MPRA; and
- 4.11 Not granting such relief to owners on an individual basis.

5. Resolution Rates Levy Promulgated

A rate is levied in terms of a resolution which is passed by the Council, with a supporting vote of a majority of its members. This is then displayed for 30 (thirty) days at the Municipal offices, libraries, the official Municipal website, as well as in a notice published in the media. The resolution is promulgated by being published in the Provincial Gazette.

6. Rates and Categories

Categorisation of properties is determined by the Municipal Valuer, based on the use, or multiple uses in some instances (see 6.1 below) of the property. A change in use of the property will result in a change of category. Rates will be levied based on the value of the property appearing in the Valuation and Supplementary Valuation Rolls.

6.1 Categories of properties (that are used for the following purposes)

- Residential^{1 2}
- Industrial
- Business and Commercial (includes Bed and Breakfast, and the like)
- Agriculture
- Public service infrastructure
- Public service purposes (State)
- Vacant land
- Farms Agriculture
- Farms Commercial
- Farms Residential
- Municipal Properties
- Public Benefit Organisation
- Religious (Place of Public Worship)
- Rural Communal
- Smallholdings: Agriculture
- Smallholdings: Residential

6.2 Categories of Owners for Calculating Rebates, Reductions or Exemptions

- Application Indigent
- Pensioners
- Municipal Properties
- Land Reform Beneficiaries
- ITB
- PBOs
- NPO
- Public open space
- Rural communal

7. Reductions

Rates will not be levied on:

- 7.1 The increase in value of a property due to rezoning for more advantageous purposes, but which is not used for such advantageous purpose.
- 7.2 The first R100 000.00 (one hundred thousand rand) of the value of developed residential properties assigned in the valuation or supplementary valuation rolls.
- 7.3 A temporary reduction in rates for properties within a disaster area may be taken into account during the preparation of the Municipality's annual budget.

8. Rebates upon Application

Further rebate in the following circumstances may be granted upon application before 30 June in the year preceding the financial year to which the rebate shall apply:

- 8.1 Pensioner owners (25%);
- 8.2 Disabled owners (25%);
- 8.3 Medically boarded owners (15%); or

¹ Rates in a sectional title scheme are levied against the individual units, and not against the scheme as a whole.

² Rates are collected from the owner of the unit, not the body corporate; nor may the body corporate apportion and collect rates from owners.

It remains within the Municipality's discretion to grant such further rebate as it deems fit and/or viable.

9. Impermissible Differentiation

The following rates shall not be levied:

- 9.1 Different rates on residential properties;
- 9.2 A rate on non-residential properties that exceeds a prescribed ratio to the rate on residential properties;
- 9.3 Rates which unreasonably discriminate between categories of non-residential properties; or
- 9.4 Additional rates, except as allowed by section 22 of the MPRA.

10. Management of Property Rate Shock

- 10.1 It is understood that with the implementation of a new valuation roll, certain properties will be subject to a higher increase than others. It is also expected that rates on certain properties will decrease;
- 10.2 Council will, during the budget process attempt to limit the rates shocks to property owners due to the increase in the rate payable on their properties as a result of the compilation and implementation of the new valuation roll and
- 10.3 The limit in the increase in rates payable will be set at 250% (draft roll will determine).
- 10.4 The following criteria will apply:
 - a) The rates increase must exceed 250%
 - b) The reduction as a result of the rates shock will only apply to Residential property as described in the definition;
 - c) The property must be occupied by the owner of the property;
 - d) Vacant land will not qualify;
 - e) Rates shock will not apply in the case where the rates shock is due to improvements of the property;
 - f) Application for the reduction must be made for each financial year before 31 May and the first application must be made in the first year that the new general valuation roll is implemented and will not apply to any ensuing new valuation roll(s);
 - g) If no application is made in the first year of the implementation of the new valuation roll, no consideration will be made in any ensuing years and will not apply to new owners of the property after the implementation date (1 July 2017) and
 - h) The rate that exceeds the determined percentage will be phased in over ensuing three years.

11. Liability for Payment of Rates

- 11.1 Council must exercise its power to levy a rate on property subject to Section 229 and any other applicable provisions of the Constitution and the provisions of the Municipal Property Rates Act, 2006 as well as the approved rates policy.
- 11.2 Owners of properties are ultimately liable for the payment of rates in relation with their properties. Joint owners are jointly and severally liable; while multiple owners in undivided shares may be held liable for a portion or the rates in their entirety, depending on the circumstances.

12. Rates Account and Annual Assessment Notices

The Municipality shall endeavour to furnish each person liable for the payment of rates with an account specifying the following:

- Balance brought forward;
- Interest;
- Payment / receipts;
- Transaction movement;
- The amount payable monthly for rates due;
- The date on or before which the amount is payable; and
- The market value of the property.

The account holder is liable for the payment of rates regardless of whether they have in fact received such written rates account. It is the rates payer's responsibility to establish the rates due monthly, as well as provide up to date contact information to the Municipality.

The Municipality shall further endeavour to furnish each rate payer with a written notice specifying:

- The amount of rates payable for the financial year;
- The date on or before such amount is payable;
- A breakdown of the amount;
- The market value of the property;
- Whether the property is subject to any compulsory phasing in under section 21 of the MPRA; and
- The amount of discount, if any.

Again, a rate payer is not absolved from the duty to pay as a result of non-receipt of such notice.

13.Payment

Rates are levied for a financial year over a period of 11 (eleven) months, the first instalment payable before or on 31 August of that year.

14.Recovery of Arrears

The Municipality shall endeavour to collect rates in arrears from the registered owner of the property. However, where this proves impossible, the Municipality shall collect such arrears from any tenant, occupier, or agent of the owner. A notice shall first be served on such persons before the arrears are recovered.

The amount recoverable from occupiers or tenants is limited to the amount of rent or other money due or payable but not yet paid by such tenant or occupier to the owner of the property. The amount recoverable from an agent is limited to any rent or other money received by the agent on the owner's behalf, less any commission due to the agent.

15.Incentives

A further five percent (5%) discount on the annual rates assessment will be granted, if paid in full on or before the last working day of August of the relevant financial year on the following categories of properties:

- Agricultural;
- Vacant land;

- Residential;
- Industrial;
- Business and Commercial;

All properties within the Ladysmith CBD, as well as commercial properties in Sir George Street in Colenso, may apply to the Department of Economic Development for further incentives.

16. Valuation Rolls

A general valuation of all properties in the municipal area will be conducted every four years. Supplementary valuations will be conducted at least once a year. In preparation of the valuation rolls, the Municipality or its agents may require the owner, occupier or tenant of a property to provide documentation or information to assist in the valuation. Such information shall not be disclosed except in terms of the MPRA, legal proceedings or a court order. Where the required information was not provided and later forms part of an appeal process, the appeal board may order that costs be paid by the party who failed or refused to provide the information.

17. Relevant Dates Relating to the Valuation Rolls

The third general valuation takes effect from 1 July 2017, and remains valid for a further four financial years.

Rates become payable on the dates mentioned below where they do not become payable from the date of the general valuation:

Supplementary Valuation Roll	Effective date of Rates Levy
Omitted from General Valuation	Date of Supplementary Valuation Roll
Included in / excluded from municipal area	Inclusion / exclusion date
Subdivided or Consolidated	Registration Date
Market value has substantially increased / decreased since General Valuation	Date the event occurred
Alteration and/or additions to buildings	
New buildings	
Rezoning	
Substantially incorrectly valued during General Valuation	Date of Supplementary Valuation Roll
Re-valued for any exceptional reason	Date of Supplementary Valuation Roll
Change of Category	Date the event occurred
Clerical / Typing error	Date on which the clerical / typing error was made

18. Validity Period of this Policy

This policy is valid for the financial year of 2017/2018.

ANNEXURE 4

ALFRED DUMA LOCAL MUNICIPALITY



**INDIGENT POICY
2017/2018**

PREAMBLE

Whereas - the municipality receives an equitable share contribution from National Treasury annually;

And whereas - the National Department of Provincial and Local Government has issued guidelines regarding indigent support;

And whereas - the municipal council wishes to give access to basic services for all of its communities;

Now therefore - the municipal council of Alfred Duma Local Municipality adopts the following.

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DEFINITIONS

1. In this policy, unless the context indicates otherwise –

‘basic municipal services’ means a municipal service that is necessary to ensure an acceptable and reasonable quality of life that if not provided, would endanger public health or safety or the environment. For the purposes of this framework “Basic Municipal Services” refers to the following services rendered and subsidized by municipality: electricity/ alternative energy and refuse removal.

‘child headed households’ means households headed by a person under the age of 21 years but with all other requirements for an indigent household as stated in this document.

‘Consumer’ means any occupier of premises to which the Council has agreed to provide or is actually providing any municipal service, or if there is no occupier, the owner of the premises concerned.

‘Household’ - refers to a house and its occupants regarded as a unit or the people in a family or other group that are living together in one house, including biological/foster/adopted children.

‘indigent’ means any household or category of households, including a child headed household, earning less than a combined gross income, as determined by the municipality during the compilation of annual budget in terms of a social and economic analysis of its area;

‘municipal tariff’ means a tariff for a service which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff.

‘occupier’ means any person who occupies any premises or part thereof, without regard to the title under which he or she so occupies.

‘property’ means any portion of land, of which the boundaries are determined within the jurisdiction of the Municipality;

Defined in terms of MPRA as:

- (a) immovable property registered in the name of a person;
- (b) a right registered against immovable property in the name of a person;

- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation or;
- (d) public service infrastructure.

'property owner' means a person in whose name property is registered/ the holder of a title deed.

'restricted service levels' - refers to metering and billing system that restricts the household's consumption of free basic service to the predetermined level allocated to a particular household.

2. PURPOSE

The purposes of the indigent policy are to:

- a) provide basic services to the community within the financial and administrative capacity of the municipality;
- b) provide procedures and guidelines for the subsidisation of basic service charges to indigent households using the equitable share allocation, received from Central Government, and other budgetary provisions; and
- c) ensure affordability by subsidising tariffs calculated in terms of the municipality's tariff policy and by setting appropriate service levels in accordance with the municipality's service delivery plan.

3. CRITERIA FOR QUALIFICATION

- a) A household, where the combined gross income of all the members of the household over the age of 18 years old (excluding foster care grant monies) is equal to or less than two (2) state pension grant income;
- b) The applicant must be the owner of the for which he/she is registering as indigent or an executor of the property for which he/she is registering as indigent (relevant documents will be required in this instance);
- c) The applicant should not jointly or severally own more than one property;
- d) The applicant must complete an official application form and provide the required documentary proof;

- e) The applicant must reside in the municipal area and may not conduct any commercial or industrial activity from the property;
- f) The applicant must be the full-time occupant and may not own any other property, whether in or out of the municipal area;
- g) The subsidy will only be valid for 12 months, whereafter the applicant then must re-apply;
- h) The application will be approved by the municipality after the information supplied has been verified;
- i) All applicants shall be informed in writing with regard to the outcome of their application;
- j) An indigent applicant must immediately request de-registration if his/her conditions have changed to an extent that she/he no longer qualifies for indigent support in terms of the criteria set out above;
- k) Council may send officials to the indigent applicant's premises or household for the purpose of conducting an on-site audit of the details provided as well as for indigent audit purposes.

4. EXTENT OF INDIGENT SUBSIDY

- a) Subsidies will be limited to rates, refuse removal and electricity.
- b) The extent of the monthly, indigent support granted to indigent households must be based on budgetary allocations for a particular financial year and the tariffs determined for each financial year.
- c) The source of funding of the indigent subsidy is that portion of the equitable share contribution received from National Treasury and any additional provisions made by council and provided for in the annual operating budget.
- d) The subsidy will only be credited to the qualifying customer's accounts until the amount provided on the budget has been exhausted.

- e) Annual service charges on the indigent's account must automatically be converted to monthly instalments.
- f) In respect of electricity, all approved beneficiaries for the indigent support automatically qualify for Free Basic Electricity whether on a 20 amps supply under the following conditions:
 - i. on approval, the conventional electricity meter shall be replaced with a prepaid electricity meter
 - ii. approved indigent registered household must receive electricity fully subsidised at a minimum of 50 kWh per month.
- g) In respect of refuse removal services a full subsidy will apply.
- h) In respect of property rates, the applicant will receive a full subsidy.
- i) The accounts of indigent households will be exempted from interest.
- j) In cases where the consumers is/are minor/s due to circumstances, an appointed guardian may apply on behalf of the minor/s until such time that the minor/s are allowed to apply in terms section 3 (a) of this policy.

5. ADDITIONAL INDIGENT SUBSIDY

- a) Council may provide grants in lieu to certain categories of owners of domestic properties to alleviate poverty.
- b) Properties categorised as domestic with a market value less to be determined by Council annually will qualify for the indigence subsidy. The same benefits will apply as for application indigence. This subsidy will only apply if Council can afford the rebate for a financial year and write-off of arrears for qualifying households will only be approved for rates and refuse charges only.

- c) Council may approve, during the yearly budget process, relieve programmes for rates and refuse for owners who are medically boarded, pensioners and disabled persons and child headed households on application.

6. ARREARS ON INDIGENT ACCOUNTS

- a) Upon registration as an indigent household, the outstanding arrears on the account of the applicant must be kept pending for a period of up to six months after which it may be written off, interest may be calculated on the arrears as contemplated.
- b) If the applicant exits from the indigent support programme within the six (6) months period the outstanding arrears, written-off for the financial year concerned, must be re-introduced in the account and be subjected to the credit control and debt collection policy of the municipality.
- c) Council may from time to time decide to write-off indigent arrears. No further legal action must be taken on such indigent arrears.

7. NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT

- a) When the indigent applicant fails to comply with any of the conditions as required this policy in order to receive the indigent subsidy benefit, such person will forfeit his or her status as a registered indigent customer with immediate effect, and will thereafter be treated as an ordinary customer for the financial year concerned.
- b) The onus is on each registered indigent to advise the municipal manager of such failure to comply due to the changed circumstances
- c) The indigent status of an approved indigent customer will be reviewed from time to time, at intervals as determined by Council. This could be done by either physical audit or external verification check such as ITC – Credit Bureau and other means deemed appropriate. Should the requirements not be met, the subsidy for that consumer will be cancelled.

d) If a registered indigent is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent, such person shall immediately be removed from the register of indigents, and shall be liable to repay the municipality with immediate effect all indigent relief received and debt written off from the date of such fraudulent registration. Moreover, such person may not again be considered for indigent relief for a period extending for five years beyond the financial year in which the misdemeanour was detected.

e) Indigent support will be automatically terminated under the following circumstances:

- i. Upon the death of the applicant, unless the executor of the property re-applies and meets the qualifying criteria;
- ii. At the end of a financial year;
- iii. When the indigent applicant disposes of the property, either by sale or by means of donation.

8. IMPLEMENTATION AND REVIEW

The Accounting Officer shall be responsible for the implementation and administration of this policy with the assistance of the Chief Financial Officer in the Department of Finance, once approved by Council.

The policy shall be reviewed annually as part of the budget process.



ALFRED DUMA LOCAL MUNICIPALITY

SUPPLY CHAIN

MANAGEMENT

POLICY

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DEFINITIONS

In this policy, unless the context indicates otherwise, the following definitions are applied –

'Accounting Officer' means the Municipal Manager of the Municipality within the meaning of Section 82 of the Municipal Structures Act, 1998 (Act No.117 of 1998);

'The Act' means the Local Government Municipal Finance Management Act 2003 (Act No. 56 of 2003);

'Bid' means a written offer in a prescribed or stipulated form in response to an invitation by an organ of state for the provision of services, works or goods. This replaces 'tender' used in previous policies;

'CFO' means the Chief Financial Officer;

'Close family member' means: (i) a member of the same household (including someone residing on the premises), (ii) parent (including adoptive parent), (iii) parent-in-law, (iv) son (including adoptive son), (v) son-in-law, (vi) daughter (including adoptive daughter), (vii) daughter-in-law, (viii) step-parent, (ix) step-son, (x) step-daughter, (xi) brother, (xii) sister, (xiii) grandparent, (xiv) grandchild, (xv) uncle, (xvi) aunt, (xvii) nephew, (xviii) niece, (xix) the spouse or unmarried partner in any of (i) to (xii) above;

'Contract' means the agreement that results from the acceptance of a bid or quotation by the Municipality;

'Firm price' is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy or tax which in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies or the rendering costs of any service, for the execution of the contract.

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'In the service of the state' means to be –

- (a) a member of –
 - (i) any municipal council;
 - (ii) any provincial legislature; or
 - (iii) the National Assembly or the National Council of Provinces;
- (b) a member of the board of directors of any municipal entity;
- (c) an official of any municipality or municipal entity;
- (d) an employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);
- (e) a member of the accounting authority of any national or provincial or public entity; or
- (f) an employee of Parliament or provincial legislature.

'Joint Venture' means a joint venture formed by Members in accordance with an Agreement;

'Long-term contract' means a contract with a period exceeding one (1) year;

'MCM' means the Management Committee of the municipality;

'MFMA' means the Municipal Finance Management Act (Act No. 56 of 2003);

'Quotation' means a stated price that a supplier expects to receive for the provision of specified services, works or goods.

'Relevant Executive Director' means the Head of the Department for which the goods or services are being procured; and

'SMME' means a supplier or entrepreneur with an annual turnover of R25 million or less and with black ownership, risk and control of not less than 50% is termed a small black supplier (SBS).

'Senior Manager' is defined in terms of Section 56 of the Municipal Structures Act as "a manager directly accountable to the Municipal Manager".

'Supply Chain Management Practitioners' includes the Chief Financial Officer, Director: Finance, Assistant Manager: Finance, Senior Accountant: Budget Office and Supply Chain Management, and Accountant: Supply Chain Management.

'Supply Chain Management Unit' comprises of the Supply Chain Manager, Quotation Clerks, Requisition Clerks, Delivery Clerks and Tender Clerks.

Alfred Duma Municipality Supply Chain Management Policy
'Treasury guidelines' means any guidelines on supply chain management issued by the Minister in terms of section 168 of the MFMA.

1. OBJECTIVES

To provide a policy in which the Accounting Officer can institute and maintain a supply chain management system that:

- (a) Is transparent, efficient, equitable, competitive, and cost effective for the municipality,
- (b) Applies the highest ethical standards,
- (c) Promotes local economic development,
- (d) Assists in the delivery of quality service to the municipality's customers,
- (e) Promotes interest and confidence in the municipality's procurement processes and other related processes, and
- (f) Gives effect to and complies with relevant legislation, regulations and standards.

By adopting this policy, the council undertakes to observe all applicable national legislation (including amendments and regulations) notably the:

- (a) Preferential Procurement Policy Framework Act No. 5 of 2000;
- (b) Broad Based Black Economic Empowerment Act No 53 of 2003; and
- (c) Municipal Finance Management Act No. 56 of 2003.

This policy is designed to supplement legal prescriptions, and the main provisions are either annexed to this policy or available in the relevant Acts, Regulations and Frameworks.

2. SUPPLY CHAIN MANAGEMENT POLICY

- (1) All officials and other role players in the supply chain management system of the municipality must implement this Policy in a way that –
 - (a) Gives effect to –
- (i) Section 217 of the Constitution; and

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- (ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
 - (b) Is fair, equitable, transparent, competitive and cost effective;
 - (c) Complies with –
- (i) The Regulations; and
 - (ii) Any minimum norms and standards that may be prescribed in terms of Section 168 of the Act;
 - (d) Is consistent with other applicable legislation;
 - (e) Does not undermine the objective for uniformity in supply chain management systems between organs of state in all spheres; and
 - (f) Is consistent with national economic policy concerning the promotion of investments and doing business with the public sector.
- (2) This Policy applies when the municipality –
 - (a) Procures goods or services;
 - (b) Disposes goods that are no longer needed;
 - (c) Selects contractors to provide assistance in the provision of municipal services otherwise than in circumstances where Chapter 8 of the Municipal Systems Act applies; or
 - (d) Selects external mechanisms referred to in section 80 (1) (b) of the Municipal Systems Act for the provision of municipal services in circumstances contemplated in section 83 of that Act.
- (3) This Policy, except where provided otherwise, does not apply in respect of the procurement of goods and services contemplated in section 110(2) of the Act, including –
 - (a) Water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (b) Electricity from Eskom or another public entity, another municipality or a municipal entity.

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3. AMENDMENT OF THE SUPPLY CHAIN MANAGEMENT POLICY

- (1) The Accounting Officer must –
 - (a) At least annually review the implementation of this Policy; and
 - (b) When the Accounting Officer considers it necessary, submit proposals for the amendment of this Policy to the Council.
- (2) If the Accounting Officer submits proposed amendments to the council that differs from the model policy issued by the National Treasury, the Accounting Officer must –
 - (a) Ensure that such proposed amendments comply with the Regulations; and
 - (b) Report any deviation from the model policy to the National Treasury and the relevant Provincial Treasury.
- (3) When amending this supply chain management policy, the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.

4. METHODS AND PROCESS OF PROCUREMENT

4.1 Procedures for Procurement

The relevant department will prepare the request for quotations.

All requests for the procurement of goods and services must:

- (a) Clearly specify the nature and quantity/duration of the goods and services required. Specifications should be prepared in an unbiased manner and in sufficient detail to enable meaningful evaluation of quotes and bids.
- (b) For requirements above R30 000, include the selection criteria which the quote will be evaluated against, noting that the Preferential Procurement Policy Framework and Supply Chain Management Regulations will apply above R30 000.

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- (c) Certified by the respective departmental official responsible for financial management that there is sufficient budget provision in their relevant budget for the procurement.
- (d) Signed by the Executive Director or official designated by them for this purpose.
- (e) Provided in sufficient time to allow for the lead time involved to procure the goods or services in accordance with this policy.

The municipality is not obliged to accept any quotation or bid received. For a quotation or bid to be considered, it must substantially meet the specifications for the procurement and meet the needs of the municipality. If no quotation or bid is in terms of the specification, the evaluation authority may either:

1. Call for new bids, or
2. Recommend acceptance of the bid nearest to specification provided the evaluation authority is satisfied it offers acceptable value for money, will meet the needs of the municipality, and the Executive Director for which goods are procured concurs with the decision.

4.2 Petty Cash Purchases of R0 to an estimated value of R2 000

Petty cash purchases from R0 up to a value of R2 000 (VAT inclusive) may be procured by obtaining one (1) verbal quote provided a registered supplier from the Central Supplier Database of Government is used and the Executive Director is satisfied that the procurement is cost effective and fair. If a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider. Individual transactions are limited to a maximum of R2000.00.

All petty cash purchases will be approved by the Executive Director, or a delegated official, prior to purchase and limited to a total of R 10 000.00 per month per department. Petty Cash purchases must be made in line with the Petty Cash Management Policy, as approved by Council.

The Executive Director must supply monthly reports on petty cash purchases in accordance with Section 14 'Reporting'. Details of the date, company name, description of service or product and the amount must be included in the report.

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Payments in respect of tyre puncture repairs to municipal vehicles may be paid from petty cash provided that a registered supplier from the municipal database is used.

4.3 Purchases to an estimated value of more than R 2000 to R29 999

Goods and services with a value up to R29 999 (VAT inclusive & other than petty cash purchases above) may be procured by obtaining three (3) written quotations from the list of prospective suppliers on the Central Supplier Database of Government (CSD) on a rotational basis, to avoid the abuse of this process. All quotes are to be inclusive of VAT and the relevant officer will record the name of each potential provider and their quoted prices. The supplier will provide written confirmation of price and goods for placement of an order.

All prospective suppliers must meet the listing requirements of Section 13 (a), (b) and (c) of the Supply Chain Management Regulations.

Quotations of an amount more than R2000 up to R29 999 will be evaluated by the Supply Chain Management Unit officials and be submitted for approval as per Section 4.6 of this policy.

If it is not possible to obtain three (3) quotes, the reasons should be documented by the relevant officer and reported quarterly to the Accounting Officer.

Quotations can be sought from unlisted providers when there are no suitable providers for the commodity or service, provided the suppliers meet the following listing criteria of the Supply Chain Management Regulations.

The provider who submitted the quotation:

- (a) has furnished the municipality with that provider's –
 - (i) full name;
 - (ii) identification number or company or other registration number; and
 - (iii) tax reference number and VAT registration number, if any;
- (b) has authorised the municipality to obtain a tax clearance certificate from the South African Revenue Services that the provider's tax matters are in order; and
- (c) has indicated –
 - (i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve (12) months;

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- (ii) If the provider is not a natural person, whether any of its directors,

managers, principal shareholders or stakeholders is in the service of the state, or has been in the service of the state in the previous twelve (12) months; or

- (iii) whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder referred to in sub paragraph (ii) is in the service of the state, or has been in the service of the state in the previous twelve (12) months.

4.4 Purchases to an estimated value of R30 000 up to R 199 999

Procurement for (individual items)/requirements above R30 000 up to R199 999 (VAT inclusive) will be by inviting written price quotations (from the list of prospective suppliers in the first instance, when the municipal database is available).

For quotations above R30 000:

- (a) The request will be displayed on the municipality's notice board provided for the purpose, and on the website. Quotation notices will give at least seven (7) days notice and indicate the closing date for submissions.
- (b) The request will be subject to the requirements of the Preferential Procurement Policy Framework Act and its Regulations and evaluated in terms of the 80/20 point system.
- (c) The Executive Director: Finance (CFO) or the Director: Finance is authorised to sign the advertisements for procurement of goods and services above R30 000 to R199 999.

The quotation is required:

- (i) To be in writing, and signed by a person with the necessary authority to act on behalf of the prospective supplier, placed in a sealed envelope which is clearly marked with the notice number and deposited in the quotation box before or on the specified closing date and time.
- (ii) Substantially comply with the specifications set out in the quotation notice;

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Where it is not possible to advertise for seven (7) days, the reasons will be documented by the relevant officer and approved by the Management Committee.

Where it is not possible to seek prior approval from the Management Committee due to time constraints, approval must be obtained from the Accounting Officer.

4.5 Purchased to an estimated value of R 200 000 and above and Long-Term Contracts

Procurement requisitions per case above R200 000 (VAT inclusive) and long-term contracts will be by bid invitation. The request for bids will be prepared by the client department and the submitted to the Bid Specification Committee. The Bid document must also be provided to the Supply Chain Management Unit to:

- (a) Display on the municipality's notice board created for this purpose.
- (b) Place on the Municipality's website.
- (c) Advertise in a commonly circulated local newspaper for at least fourteen(14) days from the date the advertisement is placed for requirements not above a transaction value of R10 million and for thirty (30) days for requirements in excess of R10 million and long term contracts for longer than a period of one (1) year.
- (d) Include the requirement that bids can only be submitted on the bid documentation provided by the municipality.
- (e) Include the date, time and location of any site meeting or briefing session.
- (f) Include the closing date and opening time of the bid.
- (g) Include a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic.

The Accounting Officer may determine a closure date for the submission of bids which is less than the thirty (30) days or fourteen (14) days requirement, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

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 The Bid Specification Committee may decide to extend the public invitation to other means such as the Government Tender Bulletin and the National Press.

For a bid to be considered, it must comply with the requirements of Section 13 (a), (b) and (c) of the Supply Chain Management Regulations, and Section 7 of the policy, 'General Conditions and Procedures'. The Municipality may charge a non-refundable deposit for provision of bid documents. Bids from 'Prohibited Bidders' in terms of Sections 43 and 44 of the Supply Chain Management Regulations will not be considered.

The Bid Evaluation Committee will evaluate bids above R200 000 in accordance with the principles of adjudication of this policy and make recommendations to the Bid Adjudication Committee.

4.6 Delegation for Procurement Process

Purchase Value	Required Process
Petty Cash R0 to R2 000	<ul style="list-style-type: none"> One (1) verbal quote from database of suppliers. Approved by Executive Director. Reported to MCM monthly. Transaction should not exceed R2000.
Above R10 000 to R29 999	<ul style="list-style-type: none"> At least three (3) written quotations (from the database of suppliers when available). Valid tax clearance certificate required. Expenditure approval by Executive Director and Chief Financial Officer/Director: Finance/ Manager: Supply Chain Management/ Assistant Manager: Supply Chain Management or any other delegated official.
Above R30 000 to R199 999	<ul style="list-style-type: none"> At least three (3) written quotations (from the database of suppliers when available). Valid tax clearance certificate required. Seven (7) day advertisement on Municipal Website and Municipal Notice Boards. 80/20 Preference Point System applies. Expenditure approval by Executive Director and Chief Financial Officer/Director :Finance and/or Accounting Officer

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Above R200 000 to R50 000 000	<ul style="list-style-type: none"> • Formal bid required. • Recommendation by Bid Evaluation Committee. • Preferential Procurement Policy Framework Act and Supply Chain Management Regulations - 80/20 Preference Point System applies. • Approval by Bid Adjudication Committee and/or Accounting Officer.
Above R50 000 000	<ul style="list-style-type: none"> • Formal bid required. • Recommendation by Bid Adjudication Committee • Preferential Procurement Policy Framework Act and Supply Chain Management Regulations– 90/10 Preference Point System applies • Approval by Bid Adjudication Committee and/or Accounting Officer.

Evaluation of tenders on functionality

- 4.6.1** An organ of state must indicate in the invitation to submit a tender if that tender will be evaluated on functionality.
- 4.6.2** The evaluation criteria for measuring functionality must be objective.
- 4.6.3** The tender documents must specify-
- a) the evaluation criteria for measuring functionality
 - b) the points for each criteria and, if any, each sub-criterion,
 - c) the minimum qualifying score for functionality
- 4.6.4** The minimum qualifying score for functionality for a tender to be considered further –
- a) must be determined separately for each tender: and
 - b) may not be so-
 - (i) low that it may jeopardise the quality of the required goods or services;
 - or
 - (ii) high that it is unreasonably restrictive.
- 4.6.5** Points scored for functionality must be rounded off to the nearest two decimal places.

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- 4.6.6** A tender that fails to obtain the minimum qualifying score for functionality as indicated in the tender documents is not an acceptable tender.
- 4.6.7** Each tender that obtained the minimum qualifying score for functionality must be evaluated further in terms of price and the preference point system and any objective criteria envisaged in regulation 11.
- 4.6.8** The municipality will implement a pre-qualification/functionality scorecard for all Supply Chain Management processes above R30 000, taking into consideration the nature of the procurement. Factors taken into consideration includes but is not limited to the following:

- Locality
- Disability
- Experience
- Female Owned
- Youth

4.6.9 Pre-qualification criteria for preferential procurement

1. If an organ of state decides to apply pre-qualifying criteria to advance certain designated groups, that organ of state must advertise the tender with a specific tendering condition that only one or more of the following tenderers may respond-
 - (a) a tenderer having a stipulated minimum B-BBEE status level of contributor;
 - (b) an EME or QSE;
 - (c) a tenderer subcontracting a minimum of 30% to-
 - (a) and EME of QSE;
 - (b) an EME or QSE which is at least 51% owned by black people;
 - (c) an EME or QSE which is at least 51% owned by black people who are youth;
 - (d) an EME or QSE which is at least 51% owned by people who are women;
 - (e) an EME or QSE which is at least 51% owned by black people with disabilities;

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- (f) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
 - (g) a co-operative which is at least 51% owned by black people;
 - (h) an EME or QSE which is at least 51% owned by black people who are military veterans.
2. A tender that fails to meet any pre-qualifying criteria stipulated in the tender documents is an unacceptable tender.

4.7 Principles of Adjudication

4.7.1 Adjudication of Bids valued at more than R 30 000 to R1 000 000

For all quotations and bids with an estimated value of more than R30 000 to R1 000 000, preference points will be allocated as follows:

	POINTS
Price	80
Specified Goals	<u>20</u>
Total	<u>100</u>

The following formula will be used to calculate the points for price in respect of competitive bids/prices or quotations with a Rand value above/more than R30 000 to R1 000 000.

$$Ps = 80 \left(\frac{Pt - Pmin}{Pmin} \right)$$

Where

Ps = Points scored for price of bid/offer under consideration.

Pt = Rand value of offer/bid consideration.

Pmin = Rand value of lowest acceptable bid/offer.

4.7.1.1 Subject to point (4.7.1.1), points must be awarded to a bidder for attaining the B-BBEE status level of contributor in accordance with the table below.

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B-BBEE STATUS LEVEL OF CONTRIBUTOR	NUMBER OF POINTS
1	20
2	18
3	16
4	12
5	8
6	6
7	4
8	2
Non-compliant contributor	0

4.7.1.2 A maximum of 20 points may be allocated in accordance with point 4.7.1.1.

4.7.1.3 The points scored by a bidder in respect of B-BBEE contribution contemplated in point 4.7.1.1 must be added to the points scored for price as calculated in accordance with point 4.7.1. Points will only be allocated to a supplier whose B-BBEE certificate was issued by a SANAS accredited institution. In the case of Emerging Micro Enterprises points will only be awarded for B-BBEE certificates issued by Accountants/Auditors accredited by professional bodies.

4.7.1.4 Subject to regulation 4.7.3, the contract must be awarded to the bidder who scores the highest total number of points.

4.7.2 Adjudication of Bids above R50 000 000

For all bids with an estimated value above R50 000 000, preference points will be allocated as follows:

	POINTS
Price	90
Specified Goals	<u>10</u>
Total	<u>100</u>

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4.7.2.1 The following formula must be used to calculate the points for price in respect of competitive bids/prices and quotations with a Rand value above R50 000 000 (all applicable taxes included):

$$P_s = 90 \left(1 - \frac{P_t - P_{\min}}{P_{\min}} \right)$$

Where

P_s = Points scored for price of bid/offer under consideration.

P_t = Rand value of offer/bid consideration.

P_{\min} = Rand value of lowest acceptable bid/offer.

4.7.2.2 Subject to point 4.7.2.3, points must be awarded to a bidder for attaining their B-BBEE Status level of contributor in accordance with the table below:

B-BBEE STATUS LEVEL OF CONTRIBUTOR	NUMBER OF POINTS
1	10
2	9
3	8
4	5
5	4
6	3
7	2
8	1
Non-compliant contributor	0

Prior to the award of a bid, the Municipality may cancel the bid process.

4.7.2.3 A maximum of 10 points may be allocated in accordance with point 4.7.2.2.

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4.7.2.4 The points scored by a bidder in respect of the level of B-BBEE contribution contemplated in point 4.7.2.2 must be added to the points scored for price as calculated in accordance with point 4.7.2.1.

4.7.2.5 Subject to regulation 4.7.3, the contract must be awarded to the bidder who scores the highest total number of points.

4.7.3 Award of contracts to bidders not scoring the highest number of points

4.7.3.1 A contract may be awarded to a bidder that did not score the highest total number of points, only in accordance with section 2 (1) (f) of the Act.

4.7.3.1.1 If an organ of state intends to apply objective criteria in terms of section 2(1)(f) of the Act, the organ of state must stipulate the objective criteria in the tender documents.

4.7.3.2 In exceptional circumstances a contract may on reasonable and justifiable grounds, be awarded to a bidder that did not score the highest points. The reasons for such a decision must be approved and recorded for audit purposes and must be justifiable in a court of law.

Circumstances

- (a) If the bidder is engaged in another similar project for which he was appointed by the Alfred Duma Municipality.
- (b) If the capability of the bidder is deemed unfit to execute two projects at the same time.
- (c) The rotation and fair distribution of work to contractors, especially local SMME's.
- (d) If the bidders progress on a previously appointed project is unsatisfactory.

Criteria for breaking deadlock in scoring

- (a) If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for B-BBEE.
- (b) If functionality is part of the evaluation process and two or more tenderers score equal total points and equal preference points for B-BBEE, the

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contract must be awarded to the tenderer that scored the highest points for functionality.

- (c) If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots.

4.7.4 Cancellation and re-invitation of bids

4.7.4.1 (a) In the event that, in the application of the 80/20 preference point system as stipulated in the bid documents, all bids received exceed the estimated Rand value of R50 000 000, the bid invitation must be cancelled.

- (b) If one or more of the acceptable bids received are within the prescribed threshold of R50 000 000, all bids received must be evaluated on the 80/20 preference point system.

4.7.4.2 (a) In the event that, in the application of the 90/10 preference point system as stipulated in the bid documents, all bids received are equal to, or below R50 000 000, the bid must be cancelled.

- (b) If one or more of the acceptable bids received are above the prescribed threshold of R50 000 000, all bids received must be evaluated on the 90/10 preference point system.

4.7.4.3 An organ of state which has cancelled a bid invitation as contemplated in point 4.7.4.1 (a) and 4.7.4.2 (a) must re-invite bids and must, in the bid documents, stipulate the correct preference point system to be applied.

4.7.4.4 An organ of state may, prior to the award of a bid, cancel a bid if-

- (a) due to changed circumstances, there is no longer a need for the services, works or goods requested; or
- (b) funds are no longer available to cover the total envisaged expenditure; or
- (c) no acceptable bids are received.

4.7.4.5 The lowest or any bid will not necessarily be accepted and the Alfred Duma Municipality reserve the right to accept the whole or any part of a bid or to reject any or all the bids without stating the reasons thereof.

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4.7.4.6 Regret letters will be sent to all bidders informing them that the bidding process has been cancelled.

4.7.4.7 Remedies

- (1) Upon detecting that a tenderer submitted false information regarding its B-BBEE status level of contributor, local production and content, or any other matter required in terms of these Regulations which will affect or has affected the evaluation of a tender, or where a tenderer has failed to declare any subcontracting arrangements, the organ of state must-
 - (a) inform a tenderer accordingly:
 - (b) give the tenderer an opportunity to make representations within 14 days as to why-
 - (i) the tender submitted should not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part;
 - (ii) if the successful tenderer subcontracted a portion of the tender to another person without disclosing it, the tenderer should not be penalised up to 10 percent of the value of the contract; and
 - (iii) the tenderer should not be restricted by the National Treasury from conducting any business for a period not exceeding 10 years with any organ of state; and
 - (c) if it concludes, after considering the representations referred to in subregulation (1)(b), that
 - (i) such false information was submitted by the tenderer-
 - (aa) disqualify the tenderer or terminate the contract in whole or in part; and
 - (bb) if applicable, claim damages from the tenderer; or
 - (ii) the successful tenderer subcontracted a portion of the tender to another person without disclosing, penalise the tenderer up to ten 10 percent of the value of the contract.
- (2)(a) An organ of state must-
 - (i) inform the National Treasury, in writing, of any actions take in terms of subregulation (1);
 - (ii) provide written submissions as to whether the tenderer should be restricted from conducting business with any organ of state; and

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- (iii) submit written representations from the tenderer as to why that tenderer should not be restricted from conducting business with any organ of state.
- (b) The National Treasury may request an organ of state to submit further information pertaining to subregulation (1) within a specified period.
- (3) The National Treasury must-
 - (a) after considering the representations of the tenderer and any other relevant information, decide whether to restrict the tenderer from doing business with any organ of state for a period not exceeding 10 years; and
 - (b) maintain and publish on its official website a list of restricted suppliers.

4.8 Supply Chain Management Unit

A Supply Chain Management Unit will be established in the Budget and Treasury Office of the Department: Finance to implement this policy. This Unit will report to the Chief Financial Officer (or delegate) in terms of section 82 of the Act.

4.9 Negotiations with Preferred Bidders

- (1) The Accounting Officer may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
 - a) Does not allow any preferred bidder a second or unfair opportunity;
 - b) Is not to the detriment of any other bidder; and
 - c) Does not lead to a higher price than the bid as submitted.
- (2) Minutes of such negotiations must be kept for record purposes.

4.10 Advising of Results

All approved bids will be listed on the municipality's website and relevant notice boards on a quarterly basis for a period of seven (7) days. In addition, the Supply Chain Management Unit will notify successful bidders in writing of the awarding of the contract subject to the time period for appeal by unsuccessful bids. The Council will be informed of all bids considered by the Bid Adjudication Committee.

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4.11 Compilation of a List of Prospective Suppliers

- (1) The Accounting Officer (or delegate) will-
 - a) Compile a list of prospective suppliers to be used in procurement requirements in terms of Section 4.2, 4.3 and 4.4 above.
 - b) At least once a year through commonly circulated local newspapers, the municipality's website and any other appropriate ways, invite prospective suppliers of goods or services to apply for evaluation and listing as accredited prospective suppliers.
 - c) Specify the listing criteria for accredited prospective providers; and
 - d) Disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services.
- (3) Suppliers who wish to be included in the list of prospective suppliers without waiting for the next invitation may approach the Supply Chain Management Unit for inclusion, provided they supply the necessary documentation and information for evaluation. Once these requirements have been satisfied, the Supply Chain Management Unit will evaluate the supplier and provide a response within fourteen (14) days.
- (4) The list must be compiled per commodity and per type of service.
- (5) To be eligible for listing, all prospective suppliers must meet the criteria of Section 13 (a), (b) and (c) of the Supply Chain Management Regulations.

4.12 Two-stage Bidding Process

- (1) A two-stage bidding process may be used for
 - (a) Large complex projects;
 - (b) Projects where it may be undesirable to prepare complete detailed technical specifications in advance, and
 - (c) Long term projects with a duration period exceeding three (3) years.
- (2) The first stage will invite technical proposals on the basis of conceptual design or performance specifications, subject to adjustments and technical and commercial clarifications.

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- (3) The second stage will require amended bidding documents, and the submission of final technical proposals and priced bids.

4.13 Unsolicited bids

- (1) In accordance with Section 113 of the Act, there is no obligation to consider unsolicited bids received outside a normal bidding process.
- (2) The Accounting Officer may decide in terms of Section 113(2) of the Act to consider an unsolicited bid, only if –
- (a) The product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
 - (b) The product or service will be exceptionally beneficial to, or have exceptional cost advantages;
 - (c) The person who made the bid is the sole provider of the product or service; and
 - (d) The reasons for not going through the normal bidding processes are found to be sound by the Accounting Officer.
- (3) If the Accounting Officer decides to consider an unsolicited bid that complies with subparagraph (2) of this policy, the decision must be made public in accordance with Section 21A of the Municipal Systems Act, together with –
- (a) Reasons as to why the bid should not be open to other competitors;
 - (b) An explanation of the potential benefits if the unsolicited bid were accepted; and
 - (c) An invitation to the public or other potential suppliers to submit their comments within thirty (30) days of the notice.
- (4) The Accounting Officer must submit all written comments received pursuant to subparagraph (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant Provincial Treasury for comment.
- (5) The Bid Adjudication Committee must consider the unsolicited bid and may award the bid or make a recommendation to the Accounting Officer, depending on its delegations.
- (6) A meeting of the Bid Adjudication Committee to consider an unsolicited bid must be open to the public.

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- (7) When considering the matter, the Bid Adjudication Committee must take into account –
- (a) Any comments submitted by the public; and
 - (b) Any written comments and recommendations of the National Treasury or the relevant Provincial Treasury.
- (8) If any recommendations of the National Treasury or Provincial Treasury are rejected or not followed, the Accounting Officer must submit to the Auditor-General, the relevant Provincial Treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- (9) Such submission must be made within seven (7) days after the decision on the award of the unsolicited bid is taken, but no contract committing the municipality to the bid may be entered into or signed within thirty (30) days of the submission.

4.14 Procurement of Goods and Services under contracts secured by other Organs of State

- (1) The Accounting Officer may procure goods or services under a contract secured by another organ of state, but only if –
- (a) The contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
 - (b) There is no reason to believe that such contract was not validly procured;
 - (c) There are demonstrable discounts or benefits to do so; and
 - (d) That other organ of state and the provider have consented to such procurement in writing.

Sub paragraphs (1)(c) and (d) do not apply if –

- (a) A municipal entity procures goods or services through a contract secured by its parent municipality; or
- (b) A municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.

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- (2) This process can be applied under the following circumstances:
- (a) If the contract was advertised and the bid was not responsive.
 - (b) If the Supply Chain Management processes were delayed due to an objection or an appeal.
 - (c) Due to technical challenges in the implementation of the project e.g. Land etc.
 - (d) If the appointed bidder is unable to complete the project.
 - (e) To avoid the withdrawal of grants allocated to Council.
 - (f) Due to inadequate time to undergo the normal Supply Chain Management processes.

4.15 Proudly SA Campaign

The municipality supports the Proudly SA Campaign to the extent that, all things being equal, preference is given to procuring local goods and services from:

- Firstly – suppliers and businesses within the municipality or district;
- Secondly – suppliers and businesses within the relevant province;
- Thirdly – suppliers and businesses within the Republic.

4.16 SMALL MICRO MEDIUM ENTERPRISES

4.16.1 EMERGING CONTRACTORS

Registration and Profiling

The following are minimum requirements for admission into the Municipality's supplier database:

- 4.16.1.1 Registration with CIDB
- 4.16.1.2 Undergone the determined Engineering Basic Training (for CIDB level 1)
- 4.16.1.3 Registration on the Central Supplier Database of Government (CSD)

4.16.2 Database Formulation

- 4.16.2.1 The municipality reserves the right to limit the number of emerging contractors it registers in order to manage the development of contractors efficiently and effectively.

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4.16.2.2 The list should be used to promote participation of Local Black-owned Small, Medium and Micro Enterprises (SMME's).

4.16.2.3 The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services.

The following schedule indicates the maximum number of contracts and maximum values within each stage that a single contractor must complete before advancing to the next stage.

STAGE	MAXIMUM CONTRACT VALUE	MAXIMUM NUMBER OF ANY PROJECTS	MAXIMUM ACCUMULATED CONTRACT VALUES IN THE STAGE
1	R50 000.00	4	R200 000.00
2	R100 000.00	4	R400 000.00
3	R150 000.00	4	R600 000.00
4	R200 000.00	4	R800 000.00
5	R500 000.00	5	R1 000 000.00
6	R1 500 000.00	3	R4 500 000.00

- The Alfred Duma Municipality will implement these thresholds in a phased approach. The first stage will be implemented and reviewed in 2012/2013.
- Goods and services may be procured from SMME's at a premium of 10%.
- SMME's within the very micro category will be paid within seven (7) days of receipt of an approved invoice. All other payment are to be made within fourteen (14) days.
- A person awarded a contract of an amount greater than or equal to R50 000 000 (Fifty Million Rand) must include 50% local labour in their staff component.
- A person awarded a contract of an amount greater than or equal to R50 000 000 (Fifty Million Rand) must subcontract the minimum of 20% of the contract to local contractors.

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4.16.3 Subcontracting as condition of tender

14.16.3.1 If feasible to subcontract for a contract above R30 000 000 an organ of state must apply subcontracting to advance designated groups.

14.16.3.2 If an organ of state applies subcontracting as contemplated in subregulation (1), the organ of state must advertise the tender with a specific tendering condition that the successful tenderer must subcontract a minimum of 30% of the value of the contract to_

- (a) and EME of QSE;
- (b) an EME or QSE which is at least 51% owned by black people;
- (c) an EME or QSE which is at least 51% owned by black people who are youth;
- (d) an EME or QSE which is at least 51% owned by people who are women;
- (e) an EME or QSE which is at least 51% owned by black people with disabilities;
- (f) an EME or QSE which is 51% owned by black people living in rural or underdeveloped areas or townships;
- (g) a co-operative which is at least 51% owned by black people;
- (h) an EME or QSE which is at least 51% owned by black people who are military veterans; or
- (i) more than one of the categories referred to in paragraphs (a) to (h).

14.16.3.3 The organ of state must make available the list of suppliers registered on a database approved by National Treasury to provide the required goods or services in respect of the applicable designated groups mentioned in subregulation (2) from which the tenderer must select a supplier.

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4.16.4 Subcontracting after award of tender

- 14.16.4.1 A person awarded a contract may only enter into a subcontracting arrangement with the approval of the organ of state.
- 14.16.4.2 A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 14.16.4.3 A person awarded a contract may not subcontract more than 25% of the value of the contract to any other enterprise that does not have an equal or higher B-BBEE status level of contributor than the person concerned, unless the contract is subcontracted to an EME that has the capability and ability to execute the subcontract.

5. DEVIATIONS FROM THE PROCUREMENT PROCESS

- (1) The Accounting Officer may -
 - (i) Deviate from the processes established by this policy and procure through any convenient process, which may include direct negotiations, but only
 - (i) In an emergency;
 - (ii) If such goods or services are produced or available from a single supplier only;
 - (iii) For the acquisition of special works of art or historical objects where the specifications are difficult to compile;
 - (iv) Acquisition of animals for zoos and/or nature and game reserves; or
 - (v) In any other exceptional case where it is impractical or impossible to follow the official procurement processes; and
 - (vi) If it is not possible to obtain three (3) quotations, the reasons should be documented by the relevant officer, approved by the Director: Finance and be reported quarterly to the Accounting Officer.
 - (b) Ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

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- (c) If there is a need to deviate from the Supply Chain Management processes, the Executive Director of the affected Department must submit a motivation in writing to the Accounting Officer for approval. Once approval from the Accounting Officer has been obtained, the procurement form and the signed approval must be submitted to the Department of Finance (SCM Unit) to expedite the procurement process.

- (2) The Accounting Officer must record the reasons for any deviations in terms of sub paragraphs (1), (a) and (b) of this policy and report them to the next meeting of the Council and include as a note to the Annual Financial Statements.
- (3) Sub paragraph (2) does not apply to the procurement of good and services, including –
 - (a) Water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - (b) Electricity from Eskom or another public entity, another municipality or a municipal entity.

6. SUPPLY CHAIN MANAGEMENT COMMITTEES

6.1 Bid Specification Committee

The Accounting Officer will appoint members to the Bid Specification Committee to compile the specifications for procurement of goods or services by the municipality.

Specifications should be:

- (1) Prepared in an unbiased manner to allow all potential suppliers to offer their goods or services;
- (2) In sufficient detail to enable meaningful evaluation of quotes and bids;
- (3) Take into account any accepted standards such as those issued by Standards South Africa, the International Standards Organisation or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;
- (4) Where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design;

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- (5) May not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
- (6) May not refer to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work in which case such reference must be accompanied by the words "equivalent";
- (7) Must indicate each specific goal for which points may be awarded in terms of the points system in the Preferential Procurement Act and its Regulations; and
- (8) Must be approved by the Accounting Officer prior to the advertisement of the bid.
- (9) A bid specification committee must be comprised of one or more officials of the municipality or municipal entity, preferable by the manager responsible for the function involved and may, when appropriate, include external specialist advisers.
- (10) No person, advisor or corporate entity involved with the Bid specification Committee may bid for any resulting contracts.

6.2 Bid Evaluation Committee

The Accounting Officer will appoint members to the Bid Evaluation Committee to undertake the evaluation of bids.

- (1) The Bid Evaluation Committee will -
 - (a) Evaluate bids in accordance with
 - (i) The specifications for a specific procurement; and
 - (ii) The points system as set out in Section 4.7 of this policy.
 - (b) Ensure bids are compliant with the requirements of the Supply Chain Management Regulations and this policy;
 - (c) Evaluate each bidder's ability to execute the contract;
 - (d) Check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears; and
 - (e) Submit to the Bid Adjudication Committee, within fourteen (14) days of the closing date of bids, a report and recommendations regarding the award of the bid or any other related matter.
- (2) The Bid Evaluation Committee must as far as possible be composed of –
 - (a) Officials from Departments requiring the goods or services; and

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- (b) At least one Supply Chain Management practitioner of the municipality or municipal entity;
- (3) The Bid Evaluation Committee will reject any bidder who:
 - (a) Fails to provide proof from SARS that the bidder has no outstanding tax obligations, or has made arrangements to meet outstanding tax obligations,
 - (b) Has municipal rates, taxes and service charge in arrears,
 - (c) Has committed a corrupt or fraudulent act in competing for the contract, or has been convicted of fraud or corruption in the last five (5) years,
 - (d) Has abused the Supply Chain Management System or committed any improper conduct in relation to the system, and
 - (e) Has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five(5) years.
- (4) Within fourteen (14) days of the closing of bids, the Bid Evaluation Committee will provide to the Bid Adjudication Committee a report and recommendations regarding the award of the bid or any other related matter.

6.3 Bid Adjudication Committee

- (1) The Accounting Officer will appoint members to the Bid Adjudication Committee to perform the adjudicating functions of this policy. The committee must consist of at least four (4) Senior Managers and will be composed as follows:
 - (a) At least three (3) Senior Managers who are not a Head of the Department being procured for.
 - (b) The Chief Financial Officer or, if unavailable, another manager in the Budget and Treasury Office reporting directly to the Chief Financial Officer and designated by the Chief Financial Officer.
 - (c) At least one Senior Supply Chain Management practitioner who is an official of the municipality.
 - (d) A technical expert in the relevant field, who is an official of the municipality, if such an expert exists (and who was not part of the Bid Evaluation Committee).

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- (2) Neither a member of the Bid Evaluation Committee, nor an advisor of a person assisting the Bid Evaluation Committee, may be a member of the Bid Adjudication Committee.
- (3) The Accounting Officer will appoint the chairperson and an alternate Chairperson of the committee and when one of the appointees is absent, the members of the committee who are present will elect one of them to preside at the meeting.
- (4) The Bid Adjudication Committee will –
 - (a) For bids with a value of R5 000 000 or less, make a final award or a recommendation to the Accounting Officer to make the final award.
 - (b) For bids with a value greater than R5 000 000, make recommendation to the Accounting Officer on how to proceed with the relevant procurement.
- (4) The Bid Adjudication Committee will effectively meet as a sub committee of the Management Committee with the exclusion of the Accounting Officer and Heads of Departments or staff members with an interest in the bid, or who have been part of the Bid Evaluation Committee for the bid. The quorum is the chairperson and three members.
- (6) The minutes of the Bid Adjudication Committee meeting, as the sub-committee of the Management Committee will serve as the written report and will be required to be submitted to the Accounting Officer in terms of Section 5 (3) of the Supply Chain Management Regulations-
 - (a) If the Bid Adjudication Committee decides to award a bid other than the one recommended by the Bid Evaluation Committee, the Bid Adjudication Committee must prior to awarding the bid –
 - (i) Check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears, and
 - (ii) Notify the Accounting Officer for ratification purposes.
 - (b) The Accounting Officer may –

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- (i) After due consideration of the reasons for the deviation, ratify or reject the decision of the Bid Adjudication Committee referred to in (a); and
 - (ii) If the decision of the Bid Adjudication Committee is rejected, refer the decision of the Bid Adjudication Committee back to that committee for reconsideration.
- (7) The Accounting Officer may at any stage of a bidding process, refer any recommendation made by the Bid Evaluation Committee or the Bid Adjudication Committee back to that committee for reconsideration of the recommendation.
- (8) The Accounting Officer must comply with Section 114 of the Act within ten (10) working days in terms of notifying the required parties if a bid other than the one recommended is approved.

7. GENERAL CONDITIONS AND PROCEDURES

7.1 General Directives

- (1) The following general conditions and procedures contained in this document are applicable to all orders and contracts, unless otherwise approved by the Accounting Officer prior to the invitation of the bid.
- (2) Where applicable, special conditions or procedures are also laid down by the Accounting Officer to cover specific supplies or services.
- (3) Where such special conditions or procedures are in conflict with the general conditions and procedures, the special conditions or procedures shall apply.
- (4) The bidder shall satisfy himself/herself with the conditions and circumstances of the bid. By bidding, the bidder shall deem to have satisfied himself/herself as to all the conditions and circumstances of the bid.
- (5) Formal contracts are concluded with the contractors only where this requirement is stated in the bid invitation.
- (6) The written acceptance of the bid shall be faxed, e-mailed or posted to the bidder or contractor concerned.

7.2 Invitation of Bids

Invitations to bid indicate the conditions of purchase, preference point system to be used, specifications, delivery schedules, closing dates, contact person and other necessary information.

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- (1) Unless otherwise indicated in the bid documents, the Municipality shall not be liable for any expenses incurred in the preparation and submission of bids on behalf of the bidder.
- (2) Unless approved by the Accounting Officer, notifications of bid invitations are published in the media as determined by this policy for at least fourteen (14) days from the date the advertisement is first placed. Proof of advertisement will be submitted in the bid report to the Bid Adjudication Committee.
- (3) The bid number must not appear on any envelope unless the envelope contains the bid itself.
- (4) The Municipality shall in the bid document indicate the preference point system to be applied in the adjudication of bids.
- (5) Mandatory Formalities

5.1. The Alfred Duma Municipality reserves the right to reject any bid received from Bidders if the formalities described in the Mandatory Formalities section hereunder are not complied with.

5.2. By submitting a bid for consideration to the Alfred Duma Municipality, the Bidder warrants that he/she/it consents and acknowledges this requirement and undertakes to ensure compliance with the Mandatory Formalities.

5.3. The Mandatory formalities include:

5.3.1 General Conditions of Contract:

Bidders are required to initial each page of the "General Conditions of Contract" section of the Bid document.

5.3.2 Special Conditions of Contract:

Bidders are required to initial each page of the "Special Conditions of Contract" section of the Bid document.

5.3.3 Specifications of Contract

Bidders are required to initial each page of the "Specifications of Contract" section of the Bid document.

5.3.4 Scope of Work

Bidders are required to initial each page of the "Scope of Work" section of the Bid document.

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 5.3.5 Witness Signatures

Bidders are required to ensure that there are two witness signatures in all sections of the Bid document which requires the endorsement of a signature.

5.3.6 Alterations and Amendments

Bidders are required to ensure that all amendments or alterations in the Bid document are endorsed by the bidder.

(6) Mandatory Supporting Documentation

6.1 The Alfred Duma Municipality reserves the right to reject any bid received from Bidders if any of the Mandatory Supporting Documentation as described hereunder, as well as the provisions of the "Special Conditions of the Bid" section are not complied with.

6.2 By submitting a bid for consideration to the Alfred Duma Municipality, the Bidder warrants that he/she/it consents to, and acknowledges this requirement and undertakes to ensure compliance with this requirement of the Bid document.

6.3 The Mandatory Supporting documents are:

- (a) Original Valid Tax Clearance Certificate as issued by SARS (no certified copies are allowed).
- (b) Proof of registration as a VAT Vendor, as issued by SARS, where the annual turnover of the individual or entity submitting the bid is R1 000 000.00 (One million rand) or more per annum.
- (c) The specific Supporting documents referred to in the "Special Conditions of Contract" of the Bid document.
- (d) Certified copy of identity document of the person authorised to sign off on the tender document on behalf of the bidder.

Bidders are required to:

- (a) Make use of the Alfred Duma Municipality's official bid documents.
- (b) Insert bid prices and other required information in the appropriate spaces on the prescribed form.
- (c) Furnish all further information called for in the bid documents and to supply pamphlets, samples, etc., where required.
- (d) Submit an Original Tax Clearance Certificate. Failure to do so will invalidate the bid.
- (e) To complete a declaration that:

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- (i) The information provided is true and correct.
 - (ii) The signatory is duly authorised to sign the bid document.
 - (iii) Bids containing bidders own specified conditions may result in the bid being declared invalid if the bidder fails to renounce such conditions when called upon to do so.
- (7) The bid deposit, which is not refundable, must be paid in at the cashier of the Municipality on Line Item number: 11 115 9168.
 - (8) A fully explanatory site inspection, where applicable, must be conducted before the close of bids. This is to ensure that bidders understand the scope of the project and that they comply with the conditions and requirements.
 - (9) If applicable, attendance of this meeting will be compulsory and a site inspection attendance register must be completed and signed.
 - (10) Bids close at 11:00 on the closing date indicated in the bid documents.
Unless the Accounting Officer decides otherwise, bids must close at least two (2) weeks after the date of publication. The extension of the closing date may be granted only with the approval of the Accounting Officer upon recommendation of the Chief Financial Officer. This will only be considered if circumstances justify the extension. The closing date of the bid is normally extended only if there is sufficient time to publish an amending notification, before the original closing date.
 - (11) The bid shall remain valid for the number of the calendar days indicated in the bid documents and is calculated from the date and time of bid closure endorsed on the front cover of the bid document.
Should the bid validity expire on a Saturday, Sunday or a Public holiday, the bid shall remain valid and open for acceptance until the closure of business on the following working date.
 - (12) Bids shall be lodged not later than the closing time specified for their receipt at the address and in accordance with the directives in the bid documents.
Each bid shall be addressed in accordance with the directives in the bid documents and shall be lodged in a separate sealed envelope with the name and address of the bidder, the bid number and the closing date indicated on the envelope. The envelope shall not contain documents relating to any bid other than that shown on the envelope.
No submission of bids via telephone, telex, telegram, telefax or e-mail will be considered.
 - (13) Bids are late if they are received at the address indicated in the bid documents after the closing date and time. A late bid shall not be admitted for consideration

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and where practicable shall be returned unopened to the bidder accompanied by an explanation.

- (14) Bids are opened in public as soon as practicable after the closing date. Upon the bid closing time, the bid document box will be unlocked and opened by an official from the Supply Chain Management Unit, an official from the Internal Audit Unit and an official from the relevant Department (if present) in the presence of the bidders or other interested parties.

At the official opening of the bids, the names of the bidders and the amounts of the bids shall in each case be read out. In instances of bulk bid amounts which are too time consuming to read out, only those requested by bidders will be read, and a complete schedule provided as soon as is practical.

The bid shall be stamped with the official stamp of the Municipality and endorsed with the signatures of the person opening it and of the person in whose presence it was opened.

The Supply Chain Management Unit keeps the original bids and a summary list.

The Supply Chain Manager will ensure that the bid document box is sealed until the time of the official opening, and that it is properly secured.

7.3 Consideration of Bids

- (1) The Municipality takes all bids that are duly submitted into consideration.
- (2) The Municipality reserves the right to accept or reject any bid.

2.1 Issues that may render a bid disqualified:

- (a) Failure by bidder to complete the pricing schedule.
- (b) Failure by a bidder to complete the Pre-qualification section (where there is a pre-qualification section in a bid document)
- (c) Failure to complete the various MBD forms as necessary.
- (d) Failure to complete the Bid declaration in with regard to equity.
- (e) Failure to attach required certifications/ proof of registration with an authoritative body (eg PSIRA, CIDB, NHBRC, ICASA etc)

2.2 Special requirements for bidders with principle business address in the boundary of Alfred Duma Municipality:

- (a) The Municipality reserves the right to disqualify any bidder who's rates,

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electricity and Municipal service charges are in arrears.

(b) Bidders are required to attach a copy of the most recent municipal rates and services account to the bid submission.

2.3 Compulsory Institution/ regulatory authority registration.

(a) Bidders are required to have a valid registration with the CIDB/ NHBR/

PSIRA to be eligible for consideration in this contract.

(b) Proof of registration at date of submission of bid to be attached.

(c) Failure to attach proof of registration will render the bid document invalid.

(d) Failure to attach a current valid proof of registration will render the bid invalid.

(e) In the event that there are challenges with an entity's registration, or alternatively where an entity is currently in the process of being registered with the regulatory body or institution contemplated above, then a letter on the letter head of the regulatory body confirming that such registration will be forthcoming shall suffice for this purpose.

(f) Proof of application for registration will not suffice for the purposes of this clause.

2.4 Briefing Sessions

(a) In light of the Municipality's fiduciary duties in terms of the MFMA and in order to prevent fruitless and wasteful expenditure where service providers are not familiar with the scope of work at the time of submitting a bid, the Municipality requires all interested bidders to attend a compulsory briefing session for this contract.

(b) The briefing session is intended inter alia to allow the Municipality to clarify issues, explain the procurement policy applicable, the Supply Chain framework and address logistic and technical issues.

(c) Failure to attend a compulsory briefing session will entitle the Municipality to disqualify any bid submission received from a particular bidder.

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(d) Bidders who wish to form a Joint Venture must note the "Joint Ventures" section of this contract.

- (3) The decision by the Municipality regarding the awarding of a contract shall be final and binding.
- (4) Where a contract has been awarded on the basis of information which, after the conclusion of the relevant agreement, is proved to have been incorrect, the Municipality may, in addition to any other legal remedy it may :
 - (a) Recover all costs, losses or damages it has incurred or suffered as a result of the award of the contract.
 - (b) Cancel the contract and claim any damages which it has suffered as a result of having to make less favourable arrangements due to such cancellations.
 - (c) Impose a financial penalty more severe than the theoretical financial preference associated with the claim which was made in the bid.
 - (d) Restrict the contractor, its shareholders and directors from obtaining business from the Municipality for a period not exceeding ten (10) years.
- (5) The Municipality will adjudicate acceptable bids using the BBBEE Balanced Scorecard preference point system which awards points on the basis of:
 - (a) The bid price, and
 - (b) Meeting specific goals.

The Municipality will normally award the contract to the bidder obtaining the highest score, but will not bind itself to do so.

5.1 Broad Based Black Economic Empowerment Accreditation

- (a) Bidders who wish to claim points in respect of equity must attach the necessary certification as provided by a SANAS accredited institution.
- (b) Failure to provide such certification will not render the bid submission as invalid, however the bidder in question will not be granted the points claimed.
- (c) Certificates provided by non-accredited assessors will not be considered. This will not render the bid in question invalid, but the bidder in question will not be grant the points claimed.

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- (6) Only a bidder who has completed and signed the declaration part of the bid documentation may be considered for preference points.
- (7) The Municipality may, before a bid is adjudicated or at any time, require a bidder to substantiate claims he/she has made with regard to preference.
- (8) In the event that different prices are tendered for different periods of a contract, the price for each period must be regarded as a firm price if it conforms to the definition of a "firm price".
- (9) Points scored will be rounded off to the nearest two (2) decimals.
- (10) In the event that two or more bids have scored equal total points, the successful bid must be the one scoring the highest number of preference points for specified goals. Should two or more bids be equal in all respects, the award shall be decided by the drawing of lots.
- (11) The preference points in respect of equity ownership will be equated to the percentage of an enterprise or business owned by individuals or, in respect of a company, the percentage of a company's shares that are owned by individuals, who are actively involved in the management of the enterprise or business and, exercise control over the enterprise, commensurate with their degree of ownership at the closing date of the bid.
- (12) Where the percentage of ownership contemplated in paragraph 4.7 changes after the closing date of the bid, the bidder must immediately notify the Municipality so that preference points can be adjusted accordingly.
- (13) Preference points may not be claimed in respect of individuals who are not actively involved in the management of an enterprise or business and who do not exercise control over an enterprise or business commensurate with their degree of ownership.
- (14) All claims made for equity ownership will be considered according to the following criteria:
 - (a) Equity within private companies must be based on the percentage of equity ownership.
 - (b) Preference points must not be awarded to public companies and tertiary institutions.
 - (c) Equity claims for a Trust shall not be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust.

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- (d) Documentation to substantiate the validity of the credentials of the trustees contemplated in paragraph (c) shall be submitted to the Municipality.
- (o) A Consortium or Joint Venture shall, based on the percentage of the contract value managed or executed by their black members, be entitled to equity ownership.

(15) Joint Ventures

Joint ventures means the joint venture formed by:

- (a) Parties wishing to form joint ventures are at liberty to do so.
- (b) All parties to the joint venture must be present and duly represented by a staff member at a compulsory briefing session.
- (c) The Municipality will be entitled to disqualify any bid submission by a Joint Venture where it is established that any party to the joint venture was not duly represented at a compulsory briefing session.
- (d) All parties to a joint venture must each supply the necessary mandatory documents as articulated in the special conditions of bid section. (this includes but is not limited to.
- (e) Each party of the joint venture must provide a resolution from their respective entity indicating that their respective entity is duly authorised to enter into the joint venture.
- (f) The resolution contemplated above must also indicate the name, identity number and capacity of the person/ s with signing authority on behalf of the joint venture.

(15). 1 Joint Venture Agreements must contain the following information:

- (a) The name, physical address, communication addresses and domicillium citandi et executandi of each Member of the Joint Venture.
- (b) A schedule of insurance policies which must be taken out by the Joint Venture and by the individual Members.
- (c) A schedule of sureties, indemnities and guarantees that must be furnished by the Joint Venture and by the individual Members.
- (d) The working capital required by the Joint Venture and the extent to which and manner whereby this will be provided and/or guaranteed by the individual Members from time to time.

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- (e) The banking accounts that are to be opened in the name of the Joint Venture and the manner in which these are to be operated.
 - (f) The names of the auditors and others, if any, who will provide auditing and accounting services to the Joint Venture.
- (16) A person awarded a contract as a result of preference for contracting with, or providing equity ownership, shall not sub-contract more than 25% of the value of the contract to a person who is not Black or does not qualify for such preference.

Bidders submitting two or more offers without declaring their interest will be disqualified.

- (17) A person awarded a contract of an amount greater than or equal to R3 000,000 (Three Million Rand) must subcontract at least 20% of the contract to local contractors.

7.4 Administration of Contracts

7.4.1 Settlement of Disputes

Should any dispute arise between a bidder/supplier and the Municipality with regard to the interpretation of the conditions of a bid, contract or order, the decision of the Municipality shall be final, but execution of a contract or order shall not be delayed pending such decision.

7.4.2 Orders

Supplies shall be delivered and services rendered only upon a written official order from the Municipality, and accounts shall be rendered as indicated on the official order or in the contract, as the case may be.

7.4.3 Packing, Packing Material and Containers

The contractor/supplier is responsible for packing supplies at his/her own cost and in such a manner so as to ensure that there is no loss or damage in transit.

Where provision is expressly made in a contract for the return of packing material or containers, such packing material or containers shall be returned at the contractor's expense.

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7.4.4 Guarantee

Unless the contract stipulates otherwise, the contractor shall guarantee for a period of twelve (12) months that no faulty material or workmanship was used in the manufacture of goods or in the execution of services and that the finished product is not defective. Should the guarantee not be complied with, the Municipality may,

without prejudice to any other rights it may have, demand that the supplies are replaced and the services are repaired without cost to the Municipality.

7.4.5 Payment for Supplies and Services

Subject to any instructions issued with a contract or order, a contractor shall be paid for supplies delivered and services rendered in accordance with the following provisions:

- (a) On the basis of delivery into store or to another nominated destination, only after receipt of a detailed account and after delivery has been effected.
- (b) On the basis of delivered and erected, installed, etc., only after receipt of a detailed account supported by a certificate of satisfactory execution issued by a Municipality agent.
- (c) Payment will normally be effected within thirty (30) days after receipt of statement and required documentation, which should be correct in every respect. Should a contractor indicate a special discount on his/her account provided payment is made within a certain time, every effort shall be made to take advantage of such discount.
- (d) As a rule, payment is made to the contractor only. When payment is claimed by another party, the latter must produce a written transfer, power of attorney or authorisation and, before payment is made, the contractor must confirm that the transfer, power of attorney or authorisation has been given by him/her and that payment may be claimed in terms thereof.

7.4.6 Management of Expansion or Variation Orders against the Original Contract

Contracts may be expanded or varied by not more than 20% for construction related goods, services and/or infrastructure projects and 15% for all other goods and/or services of the original value of the contract.

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7.4.7 Cession of Contract

All Cession of Contracts must be in line with Council's Cession Policy which was adopted.

7.4.8 Remedies in the case of Death, Sequestration, Liquidation or Judicial Management

In the event of the death of a contractor or the provision or final sequestration of his/her estate or of his/her cession or transfer of a contract without the approval of the Municipality or of the surrender of his/her estate or of his/her reaching a compromise with his/her creditors or of the provisional or final liquidation of a contractor's company or the placing of its affairs under judicial management, the Municipality may, without prejudice to any other rights it may have, exercise any of the following:

- (a) Cancel the contract and accept any of the bids, which were submitted originally with that of the contractor or any offer subsequently received to complete the contract. In such a case, the estate of the contractor shall not be relieved from liability for any claim which has risen or may arise against the contractor in respect of supplies not delivered or work not carried out by him/her under the contract, and the Municipality shall have the right to hold and retain all or any of the securities and retention monies held by it at the date of the aforesaid occurrences until such claim has been satisfied; or
- (b) Allow the executor, trustee, liquidator or judicial manager, as the case may be, for and on behalf of and at the cost and expenses of the estate of the contractor to carry on with and complete the contract.

7.4.9 Contractor's Liability

In the event of the contract being cancelled by the Municipality in the exercise of its rights in terms of these conditions, the contractor shall be liable to pay to the Municipality any losses sustained and/or additional costs or expenditure incurred as a result of such cancellation. The Municipality shall have the right to recover such losses, damages or additional costs by means of set-off from monies due or which may become due in terms of the contract or any other contract, or from a guarantee provided for the due fulfilment of the contract and, until such time as the amount of such losses, damages or additional costs have been determined, to retain such monies or guarantee

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or any deposit as security for any loss which the Municipality may suffer or have suffered.

The contractor may be held responsible for any consequential damages and loss sustained which may be caused by any defect, latent or otherwise, in the supply or

service rendered or if the supply or service as a result of such defect, latent, otherwise, does not conform to any condition or requirement of the contract.

7.4.10 Transfer of Contracts

The contractor shall not abandon, transfer, assign or sublet a contract or part thereof without the written permission of the Municipality.

8. DISPOSAL MANAGEMENT

8.1 Disposal and Letting of the Municipality's Assets

- (1) The Accounting Officer must establish an effective system of disposal management for the disposal or letting of assets, including unserviceable, redundant or obsolete assets, subject to Sections 14 and 90 of the Act.

The disposal of assets must –

- (a) Be by one of the following methods –

- (i) Transferring the asset to another organ of state in terms of a provision of the Act enabling the transfer of assets;
- (ii) Transferring the asset to another organ of state at market related value or, when appropriate, free of charge;
- (iii) Selling the asset; or
- (iv) Destroying the asset;

- (b) Provided that –

- (i) Immovable property may be sold only at market related prices except when the public interest or the plight of the poor demands otherwise;
- (ii) Movable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;

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- (iii) In the case of the free disposal of computer equipment, the provincial Department of Education must first be approached to indicate within thirty (30) days whether any of the local schools are interested in the equipment; and
- (iv) In the case of the disposal of firearms, the National Conventional Arms Control Committee has approved any sale or donation of firearms to any person or institution within or outside the Republic;
- (v) Furthermore, ensure that –
 - (i) Immovable property is let at market related rates except when the public interest or the plight of the poor demands otherwise; and
 - (ii) All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed; and
- (c) Ensure that where assets are traded in for other assets, the highest possible trade-in price is negotiated.

8.2 Evaluation of Offers/Bids for Disposal and Letting of Assets

The same procedures for disposal and letting of assets apply as for procurement under this policy, including application of the Preferential Procurement Policy Framework Act and the Supply Chain Management Regulations.

Bids for assets with a value less than R30 000 will be evaluated by the Supply Chain Management Unit in conjunction with the relevant department and adjudicated by the MCM. The municipality reserves the right not to accept any bids offered.

When land and buildings are to be sold at market value, a registered valuator will determine the market value. Sale of assets through competitive bidding or auction will follow the same communication process prescribed for bids. In addition, advice will be given about where prospective buyers/bidders may view the assets and any notification of auction will advise the date, time and venue of the auction.

Disposal and letting of assets with a value above R30 000 to R1 000 000 will be evaluated and adjudicated on in accordance with this policy. Preference points will be allocated as follows:

	POINTS
Price	80
Specified Goals	<u>20</u>
Total	<u>100</u>

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The following formula will be used to calculate the points for price in respect of competitive bids with a Rand value above R30 000 to R1 000 000.

$$Ps = 80 \left(1 + \frac{Pt - Ph}{Ph} \right)$$

Where

Ps = Points scored for price of bid under consideration

Pt = Rand value of bid under consideration

Ph = Rand value of highest acceptable bid

The points allocated for Specified Goals are in accordance with Council's Procurement Policy and are detailed in Section 4.7.1 of this Policy.

Disposal and letting of assets with a value above R1 000 000 will be evaluated and adjudicated on in accordance with this policy. Preference points will be allocated as follows:

POINTS

Price	90
Specified Goals	<u>10</u>
Total	<u>100</u>

The following formula will be used to calculate the points for price in respect of competitive bids with a Rand value above R1 000 000.

$$Ps = 90 \left(1 + \frac{Pt - Ph}{Ph} \right)$$

Where

Ps = Points scored for price of bid under consideration

Pt = Rand value of bid under consideration

Ph = Rand value of highest acceptable bid

The points allocated for Specified Goals are in accordance with Council's Procurement Policy and are detailed in Section 4.7.2 of this Policy.

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9. SPECIALISED PROCUREMENT

9.1 Annual Supply Contracts

In the case of materials and goods which are required on a continuous basis throughout the year, annual bids are invited each year to cater for the needs for the following year. Bids for Annual Supply Contracts should generally be restricted to requirements for bulk supplies, and not used for day-to-day requirements. The Accounting Officer may prescribe restrictions on the use of Annual Supply Contracts for procurement.

Schedules of items are to be compiled by the appropriate Specification Committee in conjunction with the Executive Director and provided to the Supply Chain Manager by 01 April each year. Once the schedules of items have been received, they will follow the usual bid process for evaluation and award.

9.1.1 Panel of Service Providers

Appointments will be done on a rotational basis from the panel of service providers OR service providers on the panel will be requested to quote.

9.2 Procurement of Banking Services

Banking services are to be procured through competitive bids for a period of not more than five (5) years and must be consistent with Sections 7 or 85 of the Act. Bids will be restricted to banks registered in terms of the Banks Act, 1990. (Act No. 94 of 1990).

The process for procuring a contract for banking services will commence at least nine (9) months before the end of an existing contract. The request for bids will be in accordance with Section 4.5 of this policy but the closure date for submission will be at least sixty (60) days from the date the advertisement is placed.

9.3 Procurement of IT related Goods and Services

The Accounting Officer may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to SITA.

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The Accounting Officer must notify SITA together with a motivation of the IT needs if –

- (a) The transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
- (b) The transaction value of a contract to be procured, whether for one or more years, exceeds R50 million (VAT included).

If SITA comments on the submission, and the municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the Council, the National Treasury, the relevant Provincial Treasury and the Auditor-General.

9.4 Procurement under Contracts by Other Organs of State

Goods or services may be procured under a contract secured by another organ of state provided:

- (a) The contract was secured by a competitive bidding process and the municipality has no reason to believe the contract was not validly procured.
- (b) There are demonstrable discounts or benefits to the municipality.
- (c) The organ of state and the provider have consented to the procurement in writing.

9.5 Procurement of Goods requiring Special Safety Arrangements

Procurement for goods that require special safety arrangements such as gasses and fuel should be restricted to minimum requirements for the municipality. Storage of such goods will be justified on sound reasons including the total cost of ownership and cost advantages to the municipality, as well as the environmental impact and must be approved by the Accounting Officer.

9.6 Appointment of Consultants

Consultants should be appointed by means of a competitive bidding process and must take into account any National Treasury guidelines. If the consultant's contract exceeds R200 000 (VAT included) or the duration period exceeds one (1) year, it must be procured through competitive bids.

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Bidders must provide particulars of all consultancy services provided to an organ of state in the last five (5) years, or any similar consultancy services provided to an organ of state in the last five (5) years.

The Accounting Officer will ensure that copyright, in any document produced, patent rights or ownership in any plant, machinery, thing, system or process designed or devised by a consultant in the course of the consultancy service is vested in the municipality.

The appointment of consultants must also be in line with Council's Appointment of Consultants Policy which was adopted on 26 June 2014 (LC51/06/2014).

Consultants must be in line with Circular No. 80 of the MFMA issued by the National Treasury in April 2016.

9.7 Leasing of Property, Plant and Equipment

The process to be followed when procuring for Municipal requirements in terms of external leasing of property, plant and equipment is the same as is required for procurement of goods and services detailed in Section 4 of this policy.

10. OBJECTIONS AND COMPLAINTS

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within fourteen (14) days of the decision or action, a written objection or complaint against the decision or action.

- (a) If the objection or complaint is against the procurement process, submit a written objection or complaint against the decision or action to the Accounting Officer of the municipality who shall, in turn, within twenty four (24) hours refer the written objection or complaint to the independent and impartial person referred to in paragraph 50 of the resolution.
- (b) If such complaint or objection is against the award of a bid, the Accounting Officer must refer the matter to the Municipal Bid Appeals Committee. The committee must then convene within a period of seven (7) days.
- (c) If the matter is not resolved by the Municipal Bid Appeals Committee the matter can be referred to the Municipal Appeal Tribunal.

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- (d) any responses requested from the bidder pertaining to any objection must be received by the municipality within five (5) working days.
 - (e) any information that is requested and not already accessible to the public, must comply with PAIA.

10.1 Resolution of Objections and Complaints Against Procurement Processes

- (1) The Accounting Officer must appoint an independent and impartial person, not directly involved in the Supply Chain Management processes to assist in the resolution of objections and complaints between the municipality and any other person regarding –
 - (a) the implementation of the procurement process in terms of the Supply Chain Management system; or
 - (b) any matter arising from the implementation of the procurement process in terms of the Supply Chain Management system.
- (2) The Accounting Officer, or another official designated by the Accounting Officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- (3) The person appointed must –
 - (a) Strive to resolve promptly all objections or complaints received; and
 - (b) Submit monthly reports to the Accounting Officer on all such objections and complaints received, attended to or resolved.
- (4) If the independent and impartial person referred to in paragraph 10.2 (1), is of the view that a matter which should be dealt with in terms of paragraph 50.A, he or she shall forthwith refer the matter to the Municipal Bid Appeals Tribunal and that Tribunal shall then hear and determine the matter in accordance with the provisions of paragraph 50.A.
- (5) An objection or complaint may be referred to the Kwazulu-Natal Provincial Treasury if:
 - (a) The dispute, objection, complaint or query is not resolved within sixty (60) days; or
 - (b) No response is forthcoming within sixty (60) days.

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- (6) If the Provincial Treasury does not or cannot resolve the matter, the objection or complaint may be referred to the National Treasury for resolution.

10.2 Municipal Bid Appeals Tribunal

1. The Council shall establish a Municipal bid appeals Tribunal for its area of jurisdiction to hear and determine an appeal against the award of a bid.
2. The Accounting Officer of the municipality, in consultation with the Provincial Treasury, shall appoint the Chairperson, Deputy Chairperson and Members of the Municipal Bid Appeals Tribunal.
3. The powers, duties and functions of the Municipal Bid Appeals Tribunal, and matters incidental thereto, are set out in the Rules which are appended to this Supply Chain Management Policy and marked **Appendix A**.
4. The administrative and secretarial work involved in the performance of the duties and functions of the Municipal Bid Appeals Tribunal shall be performed

by officers of the Provincial Treasury as set out in the Rules referred to in paragraph 50.A (3).
5. There shall be not further appeal against a decision of the Municipal Bid Appeals Tribunal.

11. BID DOCUMENTATION

All bid documentation must include the following:

- (1) The requirement for bids to be submitted in Rands.
- (2) The requirement for bidder's to furnish their tax reference number, VAT registration number and their identification or company registration number.
- (3) For procurement in excess of R30 000, provide an indication from SARS that the bidders tax matters are in order.
- (4) Require the bidder to disclose if the bidder or their family has any declared interest in terms of Section 20 (f) of the Supply Chain Management Regulations.
- (5) The requirement for site meetings or briefing session.

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- (6) Evaluation and adjudication criteria including any criteria stated in the Preferential Procurement Policy Framework Act and Supply Chain Management Regulations.
- (7) Screening processes and security clearance procedures for contractors on bids above R1 000 000.
- (8) Where the value of the transaction is expected to exceed R10 million, furnish the documents and information required by Section 20 (g) of the Supply Chain Management Regulations.
- (9) The requirement for compulsory disclosure of any conflict of interest a prospective contractor may have and the exclusion of that contractor from those bids.
- (10) The requirement for exclusion of persons under Section 112 (1) (f) of the MFMA, including those persons convicted of fraud or corruption, who have failed to honour a government contract, or whose tax matters have not been cleared by the South African Revenue Service.
- (11) Stipulate that disputes will be settled by means of mutual consultation, mediation (with or without legal representation) or when unsuccessful, in a South African court of law.
- (12) Contract management processes and procedures including provision for the Accounting Officer to cancel the contract for unsatisfactory performance.
- (13) Other matters and documentation as may be required by the Municipal Financial Management Act, The Supply Chain Management Regulations, the Municipality's Supply Chain Management Policy and procedures for Supply Chain Management and any National Treasury Supply Chain Management Guidelines.
- (14) General conditions of contract.
- (15) The requirements of the Construction Industry Development Board in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure.

11.1 Mandatory Formalities

The Alfred Duma Municipality reserves the right to reject any bid received from Bidders if the formalities described in the Mandatory Formalities Section under the General Conditions of Bid Section are not complied with.

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By submitting a bid for consideration by the Alfred Duma Municipality, the Bidder warrants that the bidder consents and acknowledges this requirement and undertakes to ensure compliance with this provision.

The Mandatory formalities include:

1.1. General Conditions of Contract:

Bidders are required to initial each page of the General conditions section of the bid document.

1.2. Special Conditions of Contract:

Bidders are required to initial each page of the Special conditions section of the bid document.

1.3. Specifications of Contract

Bidders are required to initial each page of the Specifications of Contract section of the bid document.

1.4. Witness Signatures

Bidders are required to ensure that there are two witness signatures in all sections requiring the endorsement of a signature.

1.5. Alterations and Amendments

Bidders are required to ensure that all amendments and/alterations are endorsed by the bidder. Any responsive bidder may be called in to complete omitted information, provided the information omitted does not have a direct impact on the pricing and BEE status, based on the discretion of the Accounting Officer.

11.2 Mandatory Supporting Documentation

The Alfred Duma Municipality reserves the right to reject any bid received from Bidders if any of the Mandatory Supporting Documentation Section as under the General Conditions of Bid Section, and read together with the provisions of the Special Conditions Section are not complied with.

By submitting a bid for consideration by the Alfred Duma Municipality, The Bidder warrants that the bidder consents and acknowledges this requirement and undertakes to ensure compliance with this provision.

The Mandatory Supporting documents are:

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(1) A Valid Tax Clearance Certificate

The Supply Chain Management (SCM) unit must verify with South African Revenue Service (SARS) that the bidders Tax matters are in order by calling the SARS help line, and all case numbers must be documented.

(2) Proof of registration as a VAT Vendor

(3) The specific Supporting Documents referred to in the Special Conditions of the Bid Section

11.3 Vat Vendor Registration

The Alfred Duma Municipality will only award tenders and contracts to individuals and/or entities that are registered as VAT vendors in terms of Section 23 of the VAT Registration Act.

The Alfred Duma Municipality reserves the right to reject any bid tendered by an individual/entity that is not registered as a VAT vendor as described above.

Proof of registration as a VAT vendor forms part of the essential documentation for purposes submitting bids.

11.4 Local Production and Content

Bids must be advertised with a specific condition that only locally produced goods, works or services or locally manufactured goods with a stipulated minimum threshold for local production and content will be considered. The Municipal Bidding Documents (MBD 6.2) 'Declaration Certificate for Local Production and Content for Designated Sectors' for the following sectors that have been designated:

Textile clothing, leather and footwear;

Buses (bus body);

Steel power pylons;

Canned / processed vegetables;

Rail rolling stock;

Set top boxes;

Furniture; and

Electrical and telecom cable products.

Where necessary, for bids referred to in paragraph above, a two stage bidding process may be followed, where the first stage involves a minimum threshold for local

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production and content and the second stage evaluation on Price and B-BBEE.

A person awarded a contract in relation to a designated sector, may not sub-contract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold. The Accounting officer must procure any requirements, relating to the above mentioned designated sectors, in accordance with National Treasury's directives and MBD 6.2.

12. CONTRACT MANAGEMENT

Once the Bid Adjudication Committee has awarded a contract, the responsibility for managing that contract rests with the Department who initiated the need for that contract. Each department will develop and review the necessary performance management systems, including appropriate record keeping to ensure contracts are managed in an effective and efficient manner. The appropriate department will manage contracts which procure goods or services for more than one department.

The provision for cancellation of a contract for unsatisfactory performance and the appropriate mechanisms to undertake the cancellation will be included in the relevant contract documentation.

The Accounting Officer will cancel a contract awarded to a person if:

- (a) That person committed any corrupt or fraudulent act during the bidding process or the execution of the contract.
- (b) An official or any other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person.

12.1 Amendments of Contract

Proposed amendments in terms of Section 116 (3) will be advertised on the municipal website and notice boards for a period of fourteen (14) days.

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13. TRAINING OF OFFICIALS

The municipality will provide resources or opportunities for the Accounting Officer and all other relevant officials involved in the implementation of this policy to undertake training to meet the competency levels required under the Act in the form of the SAQA Level 6 Module in Supply Chain Management which forms part of the Certificate in Municipal Financial Management. Officials will comply with these competency standards from 1 July 2006 or a later date as determined by National Treasury.

14. PREVENTING SUPPLY CHAIN MANAGEMENT ABUSE

The Accounting Officer will take all reasonable steps to prevent abuse of the Supply Chain Management System, investigate any reasonable allegations of abuse or failure to comply with this system, and when justified take appropriate action against officials or other role players.

No provider or prospective provider of goods or services to the municipality, or recipient or prospective recipient may directly or indirectly offer or grant any reward, gift, favour or hospitality to any official or other role player involved in the implementation of the Supply Chain Management Policy. The Accounting Officer will report any alleged contraventions to National Treasury for consideration of inclusion in their database of persons prohibited from doing business with government.

15. DELEGATIONS AND PRESCRIPTIONS

The Council hereby delegates such additional powers and duties to the Accounting Officer so as to enable the Accounting Officer to—

- (a) Discharge the supply chain management responsibilities conferred in terms of:
 - (i) Chapter 8 or 10 of the Act; and
 - (ii) The supply chain management policy.
- (c) Maximise administrative and operational efficiency in the implementation of the supply chain management policy;

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- (c) Enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation
- (d) Comply with his or her responsibilities in terms of Section 115 and other applicable provisions of the Act.

The Accounting Officer is responsible for ensuring that this policy is implemented and enforced.

The Council or Accounting Officer may not delegate or sub delegate any supply chain management powers or duties to a person who is not an official of the municipality or to a committee, which is not exclusively composed of officials of the municipality.

The Accounting Officer will provide written delegated authority to the Bid Adjudication Committee to award bids to the value of R1 000 000. Above this value, the Accounting Officer will award bids following consideration of the Bid Adjudication Committees recommendations.

15.1. Sub delegation

(1) The Accounting Officer may, in terms of Section 79 or 106 of the Act subdelegate any supply chain management powers and duties, including those delegated to the Accounting Officer in terms of this Policy, but any such subdelegation must be consistent with subparagraph (2) of this paragraph and paragraph 4 of this Policy.

- (2) The power to make a final award –
 - (a) Above R10 million (VAT included) may not be subdelegated by the Accounting Officer;
 - (b) Above R2 million (VAT included), but not exceeding R10 million (VAT included), may be sub delegated but only to –
 - (i) The Chief Financial Officer;
 - (ii) A Senior Manager; or
 - (iii) A Bid Adjudication Committee of which the Chief Financial Officer or a Senior Manager is a member; or
 - (d) Not exceeding R2 million (VAT included) may be subdelegated but only to –
 - (i) The Chief Financial Officer;

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- (ii) A Senior Manager;
 - (iii) A Manager directly accountable to the Chief Financial Officer or a Senior Manager; or
 - (iv) A Bid Adjudication Committee.
- (3) An official or Bid Adjudication Committee to which the power to make final awards has been sub delegated in accordance with sub paragraph (2) must
- within five (5) days of the end of each month submit to the official referred to in sub paragraph (4) a written report containing particulars of each final award made by such official or committee during that month, including–
- (a) The amount of the award;
 - (b) The name of the person to whom the award was made; and
 - (c) The reason why the award was made to that person.
- (4) A written report referred to in sub paragraph (3) must be submitted –
- (a) To the Accounting Officer, in the case of an award by –
 - (i) The Chief Financial Officer;
 - (ii) A Senior Manager; or
 - (iii) A Bid Adjudication Committee of which the Chief Financial Officer or a Senior Manager is a member; or
 - (b) The Chief Financial Officer or the Senior Manager responsible for the relevant bid, in the case of an award by –
 - (i) A Manager referred to in subparagraph (2)(c)(iii); or
 - (ii) A Bid Adjudication Committee of which the Chief Financial Officer or a Senior Manager is not a member.
- (5) Sub paragraphs (3) and (4) of this policy do not apply to procurements out of petty cash.
- (6) This paragraph may not be interpreted as permitting an official to whom the power to make final awards has been sub delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in Section 6 of this Policy.

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- (7) No supply chain management decision-making powers may be delegated to an advisor or consultant.

Where the procurement will have future budgetary implications, Section 33 of the MFMA regarding contracts will be complied with. Following Council adoption of this policy, Section 33 (1) will not apply to contracts valued at below R200 000 per annum or to Contracts for the following:

- (1) Radio or vehicles licences;
- (2) The aerodrome licence; and
- (3) Grass cutting & maintenance of the Klip River.

16. REPORTING

16.1 Petty Cash

Within ten (10) days of the end of the month, each Executive Director will provide to the Chief Financial Officer a reconciliation of all petty cash purchases which includes the total amount of petty cash purchases for the month and receipts and appropriate documents for each purchase.

16.2 Quarterly Reporting

Within ten (10) days of the end of the quarter, the Chief Financial Officer will submit a report to the Accounting Officer with the list of procurements where three (3) quotations were not obtained together with the appropriate explanation.

Within ten (10) days of the end of the quarter, the Accounting Officer will submit a report to the Mayor on the implementation of the Supply Chain Management Policy. This report will be made public by notification in a locally distributed newspaper, placed on the municipality's website, and displayed on the municipality's public notice board.

16.3 Annual Reporting

Within sixty (60) days of the end of the financial year, the Accounting Officer will submit a report to Provincial Treasury regarding the municipality's Supply Chain Management in a format to be determined by National Treasury.

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16.4 Other Reporting

Goods or services procured under Section 110 (2) of the Act from another organ of state to which this policy does not apply will be made public as part of the annual budget or a separate process. The publication notification will include the kind of goods or services and the name of the supplier.

Where there has been a deviation from the requirement for inviting competitive bids, the Accounting Officer will report the reasons at the next Council meeting, and include as a note to the Annual Financial Statements.

17. LOGISTICS, RISK AND PERFORMANCE MANAGEMENT

17.1 Logistics Management

The Accounting Officer will establish an effective system of logistics management in order to provide for the setting of inventory levels, placing of orders, receiving and distribution of goods, stores and warehouse management, expediting orders, transport management, vendor performance, maintenance and contract administration.

17.2 Risk Management

- (1) The Accounting Officer must establish an effective system of risk management for the identification, consideration and avoidance of potential risks in the Supply Chain Management system.
- (2) Risk management must include –
 - (a) The identification of risks on a case-by-case basis;
 - (b) The allocation of risks to the party best suited to manage such risk;
 - (c) Acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it;
 - (d) The management of risks in a pro-active manner and the provision of adequate cover for residual risks; and
 - (e) The assignment of relative risks to the contracting parties through clear and unambiguous contract documentation.

17.3 Performance Management

The Accounting Officer must establish an effective internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply

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chain management processes were followed and whether the desired objectives were achieved.

18. OTHER MATTERS

18.1 Prohibition on Awards to Persons whose Tax Matters are not in Order

- (1) The Accounting Officer will ensure that, irrespective of the procurement process followed, no award above R30 000 is given to a person whose tax matters have not been declared by the South African Revenue Service to be in order.
- (2) Before making an award to a person, the Department of Finance must first check with SARS whether that person's tax matters are in order.
- (3) If SARS does not respond within seven (7) days, such person's tax matters may for purposes of sub paragraph (1) be presumed to be in order.

18.2 Prohibition on Awards to Persons in the Service of the State

The Accounting Officer must ensure that irrespective of the procurement process followed, no award may be given to a person –

- (a) Who is in the service of the state; or
- (b) If that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- (c) A person who is an advisor or consultant contracted with the municipality.

18.3 Awards to close Family Members of Persons in the Service of the State

The notes to the annual financial statements must disclose particulars of any award or more than R10 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve (12) months, including –

- (a) The name of that person;
- (b) The capacity in which that person is in the service of the state; and
- (c) The amount of the award.

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18.4 Ethical Standards

- (1) A code of ethical standards is hereby established, in accordance with sub paragraph (2), for officials and other role players in the supply chain management system in order to promote –
 - (a) Mutual trust and respect; and
 - (b) An environment where business can be conducted with integrity and in a fair and reasonable manner.
- (2) An official or other role player involved in the implementation of the supply chain management policy –
 - (a) Must treat all providers and potential providers equitably;
 - (b) May not knowingly understate or split a procurement requisition with the intention of avoiding a more stringent procurement process
 - (c) May not use his or her position for private gain or to improperly benefit another person;
 - (d) May not accept any reward, gift, favour, hospitality, or another benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350,00;
 - (e) Notwithstanding sub paragraph (2)(c), must declare to the Accounting Officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
 - (f) Must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by the municipality;
 - (g) Must immediately withdraw from participating in any matter whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
 - (h) Must be scrupulous in his or her use of property belonging to the municipality;
 - (i) Must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and

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- (j) Must report to the Accounting Officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
 - (i) Any alleged fraud, corruption, favouritism or unfair conduct;
 - (ii) Any alleged contravention of paragraph 15.5 (1) of this policy; or
 - (iii) Any alleged breach of this code of ethical standards.
- (3) Declarations in terms of sub paragraphs (2)(d) and (e) –
 - (a) Must be recorded in a register which the Accounting Officer must keep for this purpose;
 - (b) By the Accounting Officer must be made to the Mayor of the municipality who must ensure that such declarations are recorded in the register.
- (4) The National Treasury's code of conduct must also be taken into account by supply chain management practitioners and other role players involved in supply chain management.
- (5) It is recommended that the municipality adopt the National Treasury's code of conduct for supply chain management practitioners and other role players involved in supply chain management. When adopted, such code of conduct becomes binding on all officials and other role players involved in the implementation of the supply chain management policy of the municipality.
- (6) A copy of the National Treasury code of conduct is available on the website www.treasury.gov.za/mfma located under "legislation".
- (7) A breach of the code of conduct adopted by the municipality must be dealt with in accordance with schedule 2 of the Municipal Systems Act.

18.5 Inducements, Rewards, Gifts and Favours to Municipalities, Officials and other Role Players

- (1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant
 - (a) Any inducement or reward to the municipality for or in connection with the award of a contract; or
 - (b) Any reward, gift, favour or hospitality to –
 - (i) Any official; or
 - (ii) Any other role player.

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- (2) The Accounting Officer must promptly report any alleged contravention of sub paragraph (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- (3) Sub paragraph (1) does not apply to gifts less than R350 in value.

18.6 Sponsorships

The Accounting Officer must promptly disclose to the National Treasury and the relevant Provincial Treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

- (a) A provider or prospective provider of goods or services; or
- (b) A recipient or prospective recipient of goods disposed or to be disposed.

18.7 Objections and Complaints

Any persons aggrieved by decisions or actions taken by the municipality in the implementation of its supply chain management system, may lodge within fourteen (14) days of the decision or action a written objection or complaint to the municipality against the decision or action.

18.8 Contracts providing for Compensation based on Turnover

Where a service provider acts on behalf of the municipality as a distributor of grants or collector or service charges or taxes, and the compensation payable is an agreed percentage of the distribution or collection, then the contract between the provider and the municipality must stipulate that:

- (a) The compensation must be performance based;
- (b) Changes in the turnover as a result of changes in the amount of the grant or service charge/tax must be disregarded in determining the compensation.

19. POLICY PROCEDURES AND REVIEW

This policy will be reviewed annually as part of the review of budget-related policies. The Accounting Officer will promptly develop procedures to support the implementation, management and monitoring of this policy including methods for effective risk management and performance management in accordance with Sections 41 and 42 of the Framework for Supply Chain Management Policies respectively.

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20. OVERSIGHT ROLE OF COUNCIL

- (1) The Council must maintain oversight over the implementation of the Supply Chain Management Policy.
- (2) For the purpose of such oversight, the Accounting Officer must –
 - (a) Within thirty (30) days of the end of each financial year, submit a report on the implementation of the Supply Chain Management policy of the municipality, to the Council of the municipality,
 - (b) Whenever there are serious and material problems in the implementation of the Supply Chain Management policy, immediately submit a report to the Council.
- (3) The Accounting Officer must, within ten (10) days of the end of each quarter, submit a report on the implementation of the Supply Chain Management Policy to the Mayor.
- (4) The reports must be made public in accordance with Section 21A of the Municipal Systems Act.

21. BY-LAWS

The Council will publish the appropriate by-laws necessary to give effect to the Supply Chain Management Policy.

22. ADOPTION OF THE SUPPLY CHAIN MANAGEMENT POLICY

The Supply Chain Management Policy was adopted by Council on 27 October 2005 and reviewed on 23 February 2017.



ALFRED DUMA LOCAL MUNICIPALITY

CASH MANAGEMENT AND INVESTMENT POLICY

1. LEGAL COMPLIANCE

The municipality shall at all times manage its banking arrangements and investments and conduct its cash management policy in compliance with the provisions of and any further prescriptions made by the Minister of Finance in terms of the Municipal Finance Management Act No. 56 of 2003.

The municipality is required to establish an appropriate and effective cash management and investment policy that sets out the objectives, policies, statutory requirements and guidelines for cash management and investment of funds.

A paraphrase of the provisions of this Act is attached as Annexure A to this policy.

2. OBJECTIVE OF THE CASH MANAGEMENT AND INVESTMENT POLICY

The council of the municipality is the trustee of the public revenues, which it collects, and it therefore has an obligation to the community to ensure that the municipality's cash resources are managed effectively and efficiently.

The council therefore has a responsibility to invest these public revenues knowledgeably and judiciously, and must be able to account fully to the community in regard to such investments.

The cash management and investment policy of the municipality is therefore aimed at gaining the optimal return on investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The effectiveness of the investment policy is dependent on the accuracy of the municipality's cash management programme, which must identify the amounts surplus to the municipality's needs, as well as the time when and period for which such revenues are surplus. The municipality must maintain adequate liquidity to meet cash flow requirements.

3. EFFECTIVE CASH MANAGEMENT

3.1 Cash Collection

All monies due to the municipality must be collected as soon as possible, either on or immediately after due date, and banked on a daily basis.

The respective responsibilities of the chief financial officer and other heads of departments in this regard is defined in a code of financial practice approved by the municipal manager and the chief financial officer, and this code of practice is attached as Annexure II to this policy.

The unremitting support of and commitment to the municipality's credit control policy, both by the council and the municipality's officials, is an integral part of proper cash collections, and by approving the present policy the council pledges itself to such support and commitment.

3.2 Payments to Creditors

The chief financial officer shall ensure that all tenders and quotations invited by and contracts entered into by the municipality stipulate payment terms favorable to the municipality, that is, payment to fall due not sooner than the conclusion of the month following the month in which a particular service is rendered to or goods are received by the municipality. This rule shall be departed from only where there are financial incentives for the municipality to effect earlier payment, and any such departure shall be approved by the chief financial officer before any payment is made.

In the case of small, micro and medium enterprises, where such a policy may cause financial hardship to the contractor, payment may be effected at the conclusion of the month during which the service is rendered or within fourteen days of the date of such service being rendered, whichever is the later. Any such early payment shall be approved by the chief financial officer before any payment is made.

Notwithstanding the foregoing policy directives, the chief financial officer shall make full use of any extended terms of payment offered by suppliers and not settle any accounts earlier than such extended due date, except if

the chief financial officer determines that there are financial incentives for the municipality to do so.

3.3 Management of Inventory

Each Head of Department and the Manager Store and Assets shall ensure that such department's inventory levels do not exceed normal operational requirements in the case of items which are not readily available from suppliers, and emergency requirements in the case of items which are readily available from suppliers.

Each Head of Department and the Manager Stores and Assets shall periodically review the levels of inventory held in his/her department and at the Main Stores respectively and shall ensure that any surplus items be made available to the chief financial officer for sale at a public auction or by other means of disposal, as provided for in the municipality's supply chain management policy.

3.4 Cash Management Programme

The chief financial officer shall prepare an annual estimate of the municipality's cash flows divided into calendar months, and shall update this estimate on a daily basis. The estimate shall indicate when and for what periods and amounts surplus revenues may be invested, when and for what amounts investments will have to be liquidated, and when – if applicable – either long-term or short-term debt must be incurred. Heads of Department shall in this regard furnish the chief financial officer with all such information as is required, timeously and in the format indicated.

The chief financial officer shall report to the Finance Portfolio Committee on a monthly basis and/or to a council meeting when required. Such a report shall indicate any movements in respect of the municipality's investments, together with appropriate details of the investments concerned.

4. INVESTMENT ETHICS

The chief financial officer shall be responsible for investing the surplus revenues of the municipality, and shall manage such investments in consultation with the Municipal Manager, and in compliance with any policy directives formulated by the council and prescriptions made by the Minister of Finance.

In making such investments the chief financial officer, shall at all times have only the best considerations of the municipality in mind, and, except for the outcome of the consultation process with the municipal manager, shall not accede to any influence by or interference from councillors, investment agents or institutions or any other outside parties.

Neither the chief financial officer nor the municipal manager may accept any gift, other than an item having such negligible value that it cannot possibly be construed as anything other than a token of goodwill by the donor, from any investment agent or institution or any party with which the municipality has made or may potentially make an investment.

5. INVESTMENT PRINCIPLES

5.1 Limiting Exposure

Where large sums of money are available for investment the chief financial officer shall ensure that they are invested with more than one institution, wherever practicable, in order to limit the risk exposure of the municipality. The chief financial officer shall further ensure that, as far as it is practically and legally possible, the municipality's investments are so distributed that more than one investment category is covered (that is, call, money market and fixed deposits).

5.2 Risk and Return

Although the objective of the chief financial officer in making investments on behalf of the municipality shall always be to obtain the best interest rate on offer, this consideration must be tempered by the degree of risk involved in regard to both the financial institution and the investment instrument concerned. No investment shall be made with an institution where the degree of risk is perceived to be higher than the average risk associated with investment institutions. Deposits shall be made only with registered deposit-taking institutions.

The preservation and safety of investments is the foremost objective of the investment program. To attain this objective, diversification is required to ensure that the Chief Financial Officer prudently manages market, interest rate and credit risk.

5.3 Registered Financial Institutions

Investments must only be made in accordance of the regulations as in **section 6** of the Government Gazette Notice No. R308 dated 1 April 2005. The municipality must ensure that it places investments only with credit worthy institutions and regularly monitors its investment portfolio.

5.4 Credit Rating for Investments

Investments, both short-term and long-term, can only be made with institutions having a minimum credit rating.

5.5 Liquidity

The Investment portfolio must remain sufficiently liquid to enable the Municipality to meet all operating requirements that may be reasonably anticipated.

5.6 Return on Investments

The investments shall be structured to obtain the optimal possible returns, taking into account investment risk constraints, cash flow needs and the parameters determined for authorised investments.

5.7 Prudence

Investment shall be made with care, skill, prudence and diligence. The approach must be that of a prudent person acting in a like capacity and familiar with investment matters would use in the investment of funds of like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Municipality. The standard of prudence to be used by the Investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall Investment portfolio. Investment officials are required to :

- i. adhere to written procedures and these guidelines
- ii. exercise due diligence
- iii. prepare all reports timeously
- iv. exercise strict compliance with all legislation

5.8 Speculation

Investments may not be undertaken with a view to speculation.

5.9 Ownership

All investments must be made in the name of Alfred Duma Local Municipality.

5.10 Application

The Municipal Investment Regulations which forms part of the Municipal Finance Management Act, No. 56 of 2003 is applicable to all Municipalities and Municipal Entities and is effective from 1 March 2005.

5.11 Payment of Commission

As a standard practice investments are only made directly with the Banks and not through intermediaries. The payment of any commission is not acceptable. Funds on call, being short term and therefore liquid investments earn lower interest rates and are kept to minimum levels.

;

Every financial institution with which the municipality makes an investment must issue a certificate to the chief financial officer in regard to such investment, stating that such financial institution has not paid and will not pay any commission and has not and will not grant any other benefit to any party for obtaining such investment.

5.12 Call Deposits and Fixed Deposits

The Alfred Duma Local Municipality invests funds on call (overnight) to meet its daily operating costs. This type of investment is authorised in terms of the Municipal Investment Regulations, see Annexure B, clause 6. Funds not required

for immediate use are invested for longer periods in accordance with the funding requirements of the Municipality.

Call accounts may also be maintained for specific funds.

Before making any fixed deposits, the chief financial officer, shall obtain quotations from at least three financial institutions.

Given the volatility of the money market, the chief financial officer, shall, whenever necessary, request quotations from the Banks for the amount of funds, and for the term for which the investment must be placed, via e-mail or telephonically, and shall record in an appropriate register the name of the institution, the name of the person contacted, and the relevant terms and rates offered by such institution, as well as any other information which may be relevant (for example, whether the interest is payable monthly or only on maturity, and so forth).

Having obtained the necessary number of quotations, the decision is then made based on the best terms offered and the Bank is identified with whom the investment is to be placed. Taking account of the investment principles contained in this policy, it is customary to accept the best offer received within the exposure limits. The Banks are fully aware that the rate quoted must be their best rate at that time.

The criteria applied by the Chief Financial Officer in placing funds are the following : -

- (a) Cash requirements of Alfred Duma Local Municipality.
- (b) Interest rate trends.
- (c) Imminent changes in interest rates.
- (d) Risks involved given existing exposure of individual Banks.
- (e) Quoted rates.

The cash forecast caters for the fully estimated inflows and outflows of funds and the information is reviewed by the Chief Financial Officer to best determine the investment or disinvestment of funds.

Once the best investment terms have been identified, written confirmation of the quotation must be immediately obtained (by facsimile, email or any other expedient means).

Any monies paid over to the investing institution in terms of the agreed investment (other than monies paid over in terms of part 7 below) shall be paid over only to such institution itself and not to any agent or third party. Once the investment has been made, the chief financial officer shall ensure that the municipality receives a properly documented receipt or certificate for such investment, issued by the institution concerned in the name of the municipality.

All investments are made via the Electronic Funds Transfer (E.F.T) and the relevant documentation is transmitted by facsimile or e-mail to the individual Banks confirming investment or disinvestment transactions.

5.13 Restriction on Tenure of Investments

No investment with a tenure exceeding twelve months shall be made without the approval of the Council.

5.14 Prohibited Investment Instruments and Practices

There are a considerable number of investment instruments which the Municipality does not utilise as there is no enabling legislation which permits such investments. Some of the prohibited investments are as follows : -

- (a) Investment in Listed Shares (Equities). The amount invested fluctuates with changes in the value of the shares in the portfolio. Although the returns are higher than most other investment options, it may be difficult to realise the investment at the time funds are required and the risk of capital loss is considerable. Additionally in depth knowledge of the equity market is required.
- (b) Borrowing for investment purposes is prohibited. At any given time, with a conventionally shaped interest yield curve, long term interest rates will exceed those for the short term. In the vast majority of instances therefore funds will need to be borrowed at an interest rate which includes the lending Bank's risk and their premiums exceeding the likely short term investment returns.

- (c) The use of derivative instruments. The safety of principal is not assured. A high degree of expertise is required to utilise derivative instruments effectively, and there is a risk of losing the principal amount.
- (d) Investment in Market Linked; Endowment Policies. The safety of principal is not assured as the principal will fluctuate with changes in the value of the investments underlying the policy. The funds are tied up for the duration of the investment and are illiquid.
- (e) Investments denominated in foreign currencies are prohibited; however it is possible to make an investment if the investment is denominated in Rand and is not indexed to, or affected by fluctuations in the value of the Rand against any foreign currency in terms of clause 7 of the Municipal Investment Regulations.

6. CONTROL OVER INVESTMENTS

The chief financial officer shall ensure that proper records are kept of all investments made by the municipality. Such records shall indicate the date on which the investment is made, the institution with which the monies are invested, the amount of the investment, the interest rate applicable, and the maturity date. If the investment is liquidated at a date other than the maturity date, such date shall be indicated.

The chief financial officer shall ensure that all interest and capital properly due to the municipality are timeously received, and shall take appropriate steps or cause such appropriate steps to be taken if interest or capital is not fully or timeously received.

The chief financial officer shall ensure that all investment documents and certificates are properly secured in a fireproof safe with segregated control over the access to such safe, or are otherwise lodged for safekeeping with the municipality's bankers, if such certificates are issued.

7. OTHER EXTERNAL INVESTMENTS

From time to time it may be in the best interests of the municipality to make longer-term investments in secure stock issued by the national government,

Eskom or any other reputable parastatal or institution, or by another reputable municipality. In such cases the chief financial officer, must be guided by the best rates of interest pertaining to the specific type of investment, which the municipality requires, and to the best and most secure instrument available at the time.

No investment with a tenure exceeding twelve months shall be made without the prior approval of the Council, and without guidance having been sought from the municipality's bankers or other credible investment advisers on the security and financial implications of the investment concerned.

8. BANKING ARRANGEMENTS

The municipal manager is responsible for the management of the municipality's bank accounts, but may delegate this function to the chief financial officer. The chief financial officer is authorised at all times to approve electronic transfers / payments, to sign cheques and any other documentation associated with the management of such accounts. The municipal manager, in consultation with the chief financial officer, is authorised to appoint three or more additional signatories in respect of such accounts, and to amend such appointments from time to time.

In compliance with the requirements of good governance, the chief financial officer shall open a bank account for ordinary operating purposes, and shall further open additional accounts as required.

Unless there are compelling reasons to do otherwise, all the municipality's bank accounts shall be maintained with the same banking institution to ensure pooling of balances for purposes of determining the best interest payable to the municipality.

Tenders may be invited if the municipal manager, in consultation with the chief financial officer, is of the opinion that the services offered by the municipality's current bankers are materially defective, or not cost-effective, and the Council, agrees to the invitation of such tenders. The municipal manager shall therefore invite tenders for the municipality's bank accounts.

9. RAISING OF DEBT

The municipal manager is responsible for the raising of debt, but may delegate this function to the chief financial officer, who shall then manage this responsibility in consultation with the municipal manager. All debt shall be raised in strict compliance with the requirements of the Municipal Finance Management Act 2003, and only with the prior approval of the council.

Long-term debt shall be raised only to the extent that such debt is provided for as a source of necessary finance in the capital component of the approved annual budget or adjustments budget.

Short-term debt shall be raised only when it is unavoidable to do so in terms of cash requirements, whether for the capital or operating budgets or to settle any other obligations, and provided the need for such short-term debt, both as to extent and duration, is clearly indicated in the cash flow estimates prepared by the chief financial officer. Short-term debt shall be raised only to anticipate a certain long-term debt agreement or a certain inflow of operating revenues.

10. INTEREST ON INVESTMENTS

Call Accounts

The interest accrued on the municipality's call accounts shall be recorded in the municipality's operating account as ordinary operating revenues, unless a call account is utilized for a specific purpose and requires that the interest accrued remains in such call account.

Fixed Deposits

The interest accrued on all the municipality's fixed deposit investments shall, in compliance with the requirements of generally recognised accounting practice, be recorded in the first instance in the municipality's operating account as ordinary operating revenues, and shall thereafter be appropriated, at the end of the year, to the fund or account in respect of which such an investment was made.

11. MONTHLY CASH FORECAST

The Monthly Cash Forecast spreadsheet has been designed to reflect the monthly movement of income and expenditure taking cognisance of the opening cash balances and finishing with the closing cash balances. The actual call

account and current account balances are compared to the budgeted balances. Material variances are investigated and explanation of the large variances are reported monthly to Management. The Monthly Cash Forecast is a micro forecast and it is linked to the Annual Cash Forecast, and is informed by the Investment Plan.

The following steps are performed by the Accountant : Expenditure in producing the Monthly Cash Forecast spreadsheets.

- a) Analyse the Annual Cash Flow Forecast based on operating estimates and capital estimates.
- b) For the month concerned extract the closing call account balance from the Call Rate Sheet and the current account balance from the daily Cash Forecast.
- c) Provide for Abnormal income
 1. EasyPay receipts and (daily including Weekends).
 2. Equitable Share (3 times per annum July, November and February)
 3. Bulk Electricity (last week of each month).
 4. Peaks in income at the beginning of the month and at the end of the month are also considered.
 5. Grants/subsidies as reflected on the Annual Cash Forecast.
 6. Receipt of long term borrowings.
 7. Investment maturities.
- d) Normal income after adjustment of abnormal income is apportioned accordingly, taking into account the total income received as reflected on the Annual Cash Forecast.
- e) Changes in trends pertaining to income received are factored into future Monthly Forecasts.
- f) Provide for Abnormal Expenditure
 1. Provide for Eskom, 15th of each month.
 2. Salaries on the last working day of each month.

3. Staff Benefits payments: Medical Aid (3rd) PAYE (7th), UIF (7th), Skills Development Levy (7th), Pension Fund (7th) and Housing Bonds (31st).
 4. Provide for VAT payment, 25th of each month.
 5. Other expenses, Telkom, Fuel, Security, Contract payments
 6. Loan repayments as per Accountant's schedule.
- g) Normal expenditure, after adjusting for abnormal expenditure is apportioned accordingly, taking into account the total expenditure as reflected on the Annual Cash Forecast.
 - h) Changes in trends pertaining to expenditure are factored into future Monthly Forecasts.
 - i) Capital expenditure and funding receipts are also provided on the Monthly Cash Forecast. Historical capital expenditure patterns are used. Adjustments are also made for the payments profile for larger capital contracts in progress.
 - j) After budgeted figures are accounted for, the actual figures for balances on call and current account are entered on the spreadsheet.
 - k) Variances are reflected and explained.

12. INTERNAL CONTROL PROCEDURES

The internal control procedures involves Internal Audit and the Auditor-General reviewing and testing the system of Investments on a regular basis. In order to prevent losses arising from fraud, misrepresentations, error, conflict of interest or imprudent action, a system of internal controls governs the administration and management of the Investment portfolio.

Controls deemed most important include :

- (a) Control of collusion, separation of duties.
- (b) Custodial safekeeping.
- (c) Rotation of duties.
- (d) Written confirmation of telephone and e-mail transactions.
- (e) Minimising the number of authorised Investment officials.

- (f) Checking and verification by senior officials of all investment transactions.
- (g) Documentation of transactions and strategies.
- (h) Code of ethics and standards.
- (i) Strict adherence to Investment Policy.
- (j) Limits placed on investments by the various officials.
- (k) Procedure manuals.
- (l) Electronic Funds Transfer limits and a detailed procedure manual for the system.
- (m) Monthly reporting to Committee of all investments.

13. REPORTING AND MONITORING REQUIREMENTS

Regular reporting mechanisms are in place in order to assess the performance of the investment portfolio and to ensure that the investments comply with policy objectives, guidelines, applicable laws and regulations –

Daily activities : -

- The current account bank balances and investment cash forecast is reviewed by the Chief Financial Officer.
- The Accountant Expenditure monitors the prevailing market conditions, economic developments and anticipated investment conditions and any other activities warranting possible revisions of current or planned investment options in order to inform decision making.
- The current account bank balances and investment activities is e-mailed to the Chief Financial Officer and Municipal Manager.
- All investments are made via Electronic Funds Transfer (EFT) with very stringent controls.

Weekly activities : -

- The cash balances report is submitted to the Chief Financial Officer and Municipal Manager.

Monthly activities : -

- All functions and tasks carried out by the Accountant Expenditure in terms

of investments is reviewed by the Manager : Finance and Assistant Manager Finance Financial Accounting.

- * The Investment portfolio and cash balances report are submitted to the Chief Financial Officer.
- * Review of Investment Plan.
- * Reconciliation of bank accounts.
- * Accounting transactions for purchase and sale of investments.
- * Reconciliation of all interest due.
- * Comparison of the cash flow forecast to actual.
- * A report on the Investment portfolio is furnished to the Executive Committee, within ten working days of each month.

Quarterly activities : -

- * Analysis of Banks BA900 to determine exposure limits of banks
- Report to Executive Committee on investments purchased.

Annual activities : -

- * Preparation of the cash flow forecast.
- * Preparation of the annual budget.
- * Preparation of Annual Financial Statements.
- * Regular reviews by Internal Audit and the Auditor General.
- * Review of Investment Policy.
- * Prior to year end details of bank accounts submitted to Auditor General and National Treasury.

ANNEXURE A

1. Local Government Municipal Systems Act 32 of 2000

Section (60) (2), as amended:

The council may only delegate to the municipal manager the power to make decisions on investments on behalf of the Municipality within the municipality's investment policy contemplated in section 13(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

2. Paraphrase of Requirements of Municipal Finance Management Act No. 56 of 2003

Note: In terms of Section 60(2) of the Municipal Systems Act No. 32 of 2000 the council may delegate the authority to take decisions on making investments on behalf of the municipality only to the municipal manager.

SECTION 7: OPENING OF BANK ACCOUNTS

Every municipality must open and maintain at least one bank account. This bank account must be in the name of the municipality, and all monies received by the municipality must be paid into this bank account or accounts, promptly and in accordance with any requirements that may be prescribed.

A municipality may not open a bank account:

- ☐ otherwise than in the name of the municipality;
- ☐ abroad; or
- ☐ with an institution not registered as a bank in terms of the Banks Act 1990.

Money may be withdrawn from the municipality's bank account only in accordance with the requirements of Section 11 of the present Act.

SECTION 8: PRIMARY BANK ACCOUNT

Every municipality must have a primary bank account, and if the municipality has only one bank account that account is its primary bank account. If the

municipality has more than one bank account, it must designate one of those bank accounts as its primary bank account.

The following must be paid into the municipality's primary account:

- ☐ all allocations to the municipality;
- ☐ all income received by the municipality on its investments;
- ☐ all income received by the municipality in connection with its interest in any municipal entity;
- ☐ all money collected by a municipal entity or other external mechanism on behalf of the municipality, and;
- ☐ any other monies as may be prescribed.

The municipal manager of the municipality must submit to the national treasury, the provincial treasury and the Auditor-General, in writing, the name of the bank where the primary bank account of the municipality is held, and the type and number of the account. If the municipality wants to change its primary bank account, it may do so only after the municipal manager has informed the national treasury and the Auditor-General, in writing, at least 30 days before making such change.

SECTION 9: BANK ACCOUNT DETAILS TO BE SUBMITTED TO PROVINCIAL TREASURIES AND AUDITOR-GENERAL

The municipal manager of the municipality must submit to the provincial treasury and to the Auditor-General, in writing, within 90 days after the municipality has opened a new bank account, the name of the bank where the account has been opened, and the type and number of the account; and annually, before the start of each financial year, the name of each bank where the municipality holds a bank account, and the type and number of each account.

SECTION 10: CONTROL OF MUNICIPAL BANK ACCOUNTS

The municipal manager of the municipality must administer the entire municipality's bank accounts, is accountable to the municipal council for the municipality's bank accounts, and must enforce compliance with Sections 7, 8 and 11 of the present Act.

The Municipal Manager may delegate the duties referred to above only to the municipality's chief financial officer.

SECTION 11: WITHDRAWALS FROM MUNICIPAL BANK ACCOUNTS

Only the municipal manager or the chief financial officer of the municipality (presumably where this power has been appropriately delegated), or any other senior financial official of the municipality acting on the written authority of the Municipal Manager, may withdraw money or authorise the withdrawal of money from any of the municipality's bank accounts. Such withdrawals may be made only to:

- ☐ defray expenditure appropriated in terms of an approved budget;
- ☐ defray expenditure authorised in terms of Section 26(4) (this Section deals with situations in which the budget was not timeously approved, and the province has been compelled to intervene);
- ☐ defray unforeseeable and unavoidable expenditure authorised in terms of Section 29(1);
- ☐ in the case of a bank account opened in terms of Section 12, make payments from the account in accordance with Section 12(4);
- ☐ pay over to a person or organ of state money received by the municipality on behalf of such person or organ of state, including money collected by the municipality on behalf of such person or organ of state by agreement, or any insurance or other payments received by the municipality for such person or organ of state;
- ☐ refund money incorrectly paid into a bank account;
- ☐ refund guarantees, sureties and security deposits;
- ☐ make investments for cash management purposes in accordance with Section 13;
- ☐ defray increased expenditure in terms of Section 31; or
- ☐ for such other purposes as may be prescribed.

(Note that Section 11(1) does not expressly provide for the withdrawal of monies to pay creditors, where the relevant obligations arose in terms of the previous budget; to repay loans; or to repay consumer deposits).

Any authorisation to a senior financial official to withdraw money or to authorize the withdrawal of money from a bank account must be in accordance with the framework as may be prescribed. The municipal manager may not authorise any official other than the chief financial officer to withdraw money or to authorise the withdrawal of money from the municipality's primary bank account if the

municipality has a primary bank account which is separate from its other bank accounts.

SECTION 12: RELIEF, CHARITABLE, TRUST OR OTHER FUNDS

No political structure or office bearer of the municipality may set up a relief, charitable, trust or other fund of whatever description, except in the name of the municipality. Only the municipal manager may be the accounting officer of any such fund.

A municipality may open a separate bank account in the name of the municipality for the purpose of such relief, charitable, trust or other fund. Money received by the municipality for the purpose of such fund must be paid into the bank account of the municipality, or if a separate bank account has been opened for such fund, into that account.

Money in a separate account opened for such fund may be withdrawn from the account without appropriation in terms of the approved budget, but only by or on the written authority of the municipal manager, acting in accordance with decisions of the council, and for the purposes for which, and subject to any conditions on which, the fund was established or the money in the fund was donated.

SECTION 13: CASH MANAGEMENT AND INVESTMENTS

The Minister, acting with the concurrence of the cabinet member responsible for local government, may prescribe a framework within which municipalities must conduct their cash management and investments, and invest money not immediately required.

A municipality must establish an appropriate and effective cash management and investment policy in accordance with any framework that may be so prescribed.

A bank where the municipality at the end of the financial year holds a bank account, or held a bank account at any time during such financial year, must, within 30 days after the end of such financial year, notify the Auditor-General, in writing, of such bank account, indicating the type and number of the account, and the opening and closing balances of that account in that financial year. The bank

must also promptly disclose any information regarding the account when so requested by the national treasury or the Auditor-General.

A bank, insurance company or other financial institution which the end of the financial year holds, or at any time during the financial year held, an investment for the municipality, must, within 30 days after the end of that financial year, notify the Auditor-General, in writing, of that investment, including the opening and closing balances of that investment in that financial year. Such institution must also promptly disclose any information regarding the investment when so requested by the national treasury or the Auditor-General.

SECTION 17: CONTENTS OF ANNUAL BUDGETS AND SUPPORTING DOCUMENTS

The following documents must accompany each tabled draft annual budget (inter alia):

- ☐ a projection of cash flows for the budget year.
- ☐ particulars of the municipality's investments.

SECTION 22: PUBLICATION OF ANNUAL BUDGETS

The municipal manager must make public, immediately after a draft annual budget is tabled, the budget itself and all the prescribed supporting documents, and invite comments from the local community in connection with such budget (and documents).

SECTION 36: NATIONAL AND PROVINCIAL ALLOCATIONS TO MUNICIPALITIES

In order to provide predictability and certainty about the sources and levels of intergovernmental funding for municipalities, the municipal manager of a national or provincial department and the accounting authority of a national or provincial public entity responsible for the transfer of any proposed allocations to a municipality, must by no later than 20 January of each year notify the national treasury or the relevant provincial treasury as may be appropriate, of all proposed allocations and the projected amounts of those allocations to be transferred to each municipality during each of the next 3 financial years.

The Minister or the MEC responsible for finance in the province must, when tabling the national annual budget in the national assembly or the provincial annual budget in the provincial legislature, make public particulars of any allocations due to each municipality in terms of that budget, including the amount to be transferred to the municipality during each of the next 3 financial years.

SECTION 37: PROMOTION OF CO-OPERATIVE GOVERNMENT BY MUNICIPALITIES

In order to enable municipalities to include allocations from other municipalities in their budgets and to plan effectively for the spending of such allocations, the municipal manager of every municipality responsible for the transfer of any allocation to another municipality, must, by no later than 120 days before the start of its budget year, notify the receiving municipality of the projected amount of any allocation proposed to be transferred to that municipality during each of the next 3 financial years.

SECTION 45: SHORT-TERM DEBT

The municipality may incur short-term debt only in accordance with and subject to the provisions of the present Act, and only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic income to be received within that financial year; or to bridge capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long-term debt commitments.

The council may approve a short-term debt transaction individually, or may approve an agreement with a lender for a short-term credit facility to be accessed as and when required, including a line of credit or bank overdraft facility, provided that the credit limit must be specified in the resolution of the council; the terms of the agreement, including the credit limit, may be changed only by a resolution of the council; and if the council approves a credit facility limited to emergency use, the municipal manager must notify the council in writing as soon as practicable of the amount, duration and cost of any debt incurred in terms of such a credit facility, as well as the options available for repaying such debt.

The municipality must pay off short-term debt within the financial year in which it was incurred, and may not renew or refinance short-term debt, whether its own

debt or that of any municipal entity, where such renewal or refinancing will have the effect of extending the short-term debt into a new financial year.

SECTION 46: LONG-TERM DEBT

A municipality may incur long-term debt only in accordance with and subject to any applicable provisions of the present Act, and only for the purpose of capital expenditure on property, plant or equipment to be used for the purpose of achieving the objects of local government as set out in Section 152 of the Constitution; or refinancing existing long-term debt subject to the requirements of Section 46(5).

SECTION 47: CONDITIONS APPLYING TO BOTH SHORT-TERM AND LONG-TERM DEBT

The municipality may incur debt only if the debt is denominated in rand and is not indexed to, or affected by, fluctuations in the value of the rand against any foreign currency.

SECTION 64: REVENUE MANAGEMENT (EXCERPTS)

The municipal manager of the municipality is responsible for the management of the revenue of the municipality. The municipal manager, must, among other things, take all reasonable steps to ensure that all money received is promptly deposited in accordance with the requirements of the present Act into the municipality's primary and other bank accounts.

The municipal manager must also ensure that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled on at least a weekly basis.

The municipal manager must take all reasonable steps to ensure that any funds collected by the municipality on behalf of another organ of state are transferred to that organ of state at least on a weekly basis, and that such funds are not used for purposes of the municipality.

SECTION 65: EXPENDITURE MANAGEMENT (EXCERPTS)

The municipal manager of the municipality is responsible for the management of the expenditure of the municipality.

The municipal manager must take all reasonable steps to ensure, among other things, that payments made by the municipality are made direct to the person to whom they are due, unless agreed otherwise for reasons as may be prescribed, and either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only, and only up to a prescribed limit.

The municipal manager must also ensure that all money owing by the municipality is paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

The municipal manager must further ensure that the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework.

ANNEXURE B

GOVERNMENT GAZETTE, 1 APRIL 2005

GOVERNMENT NOTICES

NATIONAL TREASURY

No. R.308

1 April 2005

**LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT 2003
MUNICIPAL INVESTMENT REGULATIONS**

The Minister of Finance, acting with the concurrence of the Minister for Provincial and Local Government, has in terms of Section 168, read with Section 13 and 99 (2)(g), of the Local Government : Municipal Finance Management Act, 2003 (Act No. 56 of 2003), made the regulations as set out in the Schedule.

SCHEDULE

Definitions

1. In these regulations, unless the context indicates otherwise, a word of expression to which a meaning has been assigned in the Act, has the same meaning, and "Act" means the Local Government : Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

"investee" means an institution with which an investment is placed, or its agent;
"investment manager" means a natural person or legal entity that is a portfolio manager registered in terms of the Financial Markets Control Act, 1989 (Act No. 55 of 1989) and Stock Exchanges Control Act, 1985 (Act No. 1 of 1985), contracted by a municipality or municipal entity to :-

- (a) advise it on investments;
- (b) manage investments on its behalf; or
- (c) advise it on investments and manage investments on its behalf.

“trust money” means money held in trust on behalf of third parties in a trust contemplated in terms of Section 12 of the Act.

Application

2. (1) These regulations apply to :-
 - (a) all municipalities
 - (b) all municipal entities; and
 - (c) all investment managers acting on behalf of, or assisting, a municipality or municipal entity in making or managing investments.
- (2) These regulations do not apply :-
 - (a) to a pension or provident fund registered in terms of the Pension Funds Act, 1956 (Act No. 24 of 1956), or any subsequent legislation; or
 - (b) in respect of trust money administered by a municipality or municipal entity where a trust deed prescribes how the trust money is to be invested.
- (3) Municipal pension or provident funds which do not comply with sub-regulation (2)(a) are exempted from these regulations until 30 June 2005.
- (4) The accounting officer of a municipality and municipal entity must provide the National Treasury with details of all pension or provident funds that do not comply with sub-regulation (2)(a) within 30 days of promulgation of these regulations.

Adoption of Investment Policies

3. (1) The investment policy to be established by a municipality in terms of Section 13(2) of the Act, must be :-
 - (a) adopted by the Council of the municipality; and
 - (b) consistent with the Act and these regulations.
- (2) The board of Directors of a municipal entity must adopt an investment policy for the entity consistent with the Act and these regulations.

- (3) All investments made by a municipality or municipal entity, or by an investment manager on behalf of a municipality or municipal entity, must be in accordance with the investment policy of the municipality or entity and these regulations.

Core elements of Investment Policies

4. The investment policy of a municipality or municipal entity must :-

- (a) be in writing;
- (b) give effect to these regulations; and
- (c) set out :-
 - (i) the scope of the policy;
 - (ii) the objectives of the policy, with due regard to the provisions of these regulations relating to :-
 - (aa) the preservation and safety of investments as the primary aim;
 - (bb) the need for investment diversification; and
 - (cc) the liquidity needs of the municipality or municipal entity;
 - (iii) a minimum acceptable credit rating for investments, including :-
 - (aa) a list of approved investment types that may be made, subject to regulation 6;
 - (bb) a list of approved institutions where or through which investments may be made, subject to regulation 10;
 - (iv) procedures for the invitation and selection of competitive bids or offers in accordance with Part 1 of Chapter 11 of the Act;
 - (v) measures for ensuring implementation of the policy and internal control over investments made;
 - (vi) procedures for reporting on and monitoring of all investments made, subject to regulation 9;
 - (vii) procedures for benchmarking and performance evaluation;
 - (viii) the assignment of roles and functions, including any delegation of decision making powers;
 - (i) if investment managers are to be used, conditions for their use, including their liability in the event of non-compliance with the policy or these regulations; and
 - (ii) procedures for the annual review of the policy.

Standard of care to be exercised when making Investments

5. Investments by a municipality or municipal entity, or by an investment manager on behalf of a municipality or entity :-
 - a) must be made with such judgement and care, under the prevailing circumstances, as a person of prudence, discretion and intelligence would exercise in the management of that persons' own affairs;
 - b) may not be made for speculation but must be a genuine investment; and
 - c) must in the first instance be made with primary regard being to the probable safety of the investment, in the second instance to the liquidity needs of the municipality or municipal entity and lastly to the probable income derived from the investment.

Permitted Investments

6. A municipality or municipal entity may invest funds only in any of the following investment types :-
 - (a) securities issued by the national government;
 - (b) listed corporate bonds with an investment grade rating from a nationally or internationally recognised credit rating agency;
 - (c) deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
 - (d) deposits with the Public Investment Commissioners as contemplated by the Public Investment Commissioners Act, 1984 (Act No. 45 of 1984);
 - (e) deposits with the Corporation for Public Deposits as contemplated by the Corporation for Public Deposits Act, 1984 (Act No. 46 of 1984);
 - (f) banker's acceptance certificates or negotiable certificates of deposit of banks registered in terms of the Banks Act, 1990;
 - (g) guaranteed endowment policies with the intention of establishing a sinking fund;
 - (h) repurchase agreements with banks registered in terms of the Banks Act, 1990;
 - (i) municipal bonds issued by a municipality; and
 - (j) any other investment type as the Minister may identify by regulation in terms of Section 168 of the Act, in consultation with the Financial Services Board.

Investments denominated in foreign currencies prohibited

7. A municipality or municipal entity may make an investment only if the investment is denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

Payment of commission

8. (1) No fee, commission or other reward may be paid to a Councillor or Official of a municipality or to a Director or Official of a municipal entity or to a spouse or close family member of such Councillor, Director or Official in respect of any investment made or referred by a municipality or municipal entity.
- (2) If an investee pays any fee, commission or other reward to an investment manager in respect of any investment made by a municipality or municipal entity, both the investee and the investment manager must declare such payment to the Council of the municipality or the board of directors of the municipal entity by way of a certificate disclosing full details of the payment.

Reporting requirements

9. (1) The accounting officer of a municipality or municipal entity must within 10 working days of the end of each month, as part of the Section 71 report required by the Act, submit to the mayor of the municipality or the board of directors of the municipal entity a report describing in accordance with generally recognised accounting practice the investment portfolio of that municipality or municipal entity as at the end of the month.
- (2) The report referred to in sub-regulation (1) must set out at least :-
 - (a) the market value of each investment as at the beginning of the reporting period;
 - (b) any changes to the investment portfolio during the reporting period;
 - (c) the market value of each investment as at the end of the reporting period; and
 - (d) fully accrued interest and yield for the reporting period.

Credit requirements

10. (1) A municipality or municipal entity must take all reasonable and prudent steps consistent with its investment policy and according to the standard of care set out in regulation 5, to ensure that it places its investments with credit worthy institutions.
- (2) A municipality or municipal entity must :-
- (a) regularly monitor its investment portfolio; and
 - (b) when appropriate liquidate an investment that no longer has the minimum acceptable credit rating as specified in its investment policy.

Portfolio diversification

11. A municipality or municipal entity must take all reasonable and prudent steps, consistent with its investment policy and according to the standard of care prescribed in regulation 5, to diversify its investment portfolio across institutions, types of investment and investment maturities.

Miscellaneous Provisions

12. (1) The responsibility and risk arising from any investment transaction vests in the relevant municipality or municipal entity.
- (2) All investments made by a municipality or municipal entity must be in the name of that municipality or municipal entity.
- (3) A municipality or municipal entity may not borrow money for the purpose of investment.

Existing Investments

13. Nothing in these regulations compels a municipality or municipal entity to liquidate an investment which existed when these regulations took effect merely because such investment does not comply with a provision of these regulations.

Commencement

These regulations took effect on 1 April 2005.

ANNEXURE C

CODE OF PRACTICE IN REGARD TO PAYMENTS, REVENUE COLLECTION AND STORES

1. STORES ADMINISTRATION

The chief financial officer shall be responsible for the proper administration of all stores. If sub-stores are established under the control of any head of department, such head of department shall be similarly responsible for the proper administration of such sub-store, and in doing so shall comply with the stock level policies as determined from time to time by the chief financial officer, acting in consultation with the head of department concerned. No sub-store may be established without the prior written consent of the chief financial officer.

2. CONTRACT MANAGEMENT

Within such general buying and related procedures as the chief financial officer shall from time to time determine, and further within the confines of any relevant legislation and of such rules and procedures as may be determined by the council:

- ☐ all buying contracts shall be administered by the chief financial officer, and all payments relating to such contracts shall be authorised by the chief financial officer or the departmental head; and
- ☐ all other contracts, including building, engineering and other civil contracts shall be administered by the departmental head, and all payments relating to such contracts shall be authorised by such head of department in accordance with the provisions of Section 3 below. The departmental head) concerned shall ensure that all payment certificates in regard to contracts are properly examined and are correct in all respects - before being submitted to the chief financial officer for payment.

3. PAYMENTS

- 3.1 All payments, other than petty cash disbursements, shall be made through the municipality's bank account(s).

- 3.2 The chief financial officer shall draw all cheques on this account, and shall, in consultation with the municipal manager and with due regard to the council's policy on banking and investments, determine the rules and procedures relating to the signing of cheques, and from time to time jointly with the municipal manager decide on appropriate signatories.
- 3.3 All requests for payments of whatever nature shall be submitted on payment vouchers, the format of which shall be determined by the chief financial officer. Such vouchers shall be authorised in terms of such rules and procedures as are determined from time to time by the chief financial officer.
- 3.4 The maximum amount and nature of petty disbursements, where not covered by the general buying procedures referred to in Section 2, shall be generally determined from time to time by the chief financial officer. No cash float shall be operated without the authority of the chief financial officer, who may prescribe such procedures relevant to the management of such float as are considered necessary.
- 3.5 The chief financial officer shall be responsible for the payment of all salaries and remuneration benefits to employees and councillors, and for the determination of the payment system to be used.

4. REVENUE AND CASH COLLECTION

- 4.1 Every head of department responsible for revenue collection shall be responsible for the collection of all moneys falling within the ambit and area of his or her designated functions.
- 4.2 The chief financial officer shall ensure that all revenues are properly accounted for.
- 4.3 The collection of all arrear revenues and the control of arrear accounts shall be co-ordinated by the chief financial officer in terms of any policies determined by the council. If it is clear that any revenues are not recovered or likely to be recovered after the necessary steps have been taken, the chief financial officer shall report the matter adequately and timeously to Council.

- 4.4 The chief financial officer shall ensure that adequate provision is maintained to cover the writing off of irrecoverable revenues, having due regard to the council's policy on rates and tariffs.

5. BANKING OF RECEIPTS

- 5.1 Guidelines and procedures for the banking of cheques and other receipts shall, if necessary, be determined from time to time by the chief financial officer.
- 5.2 Where applicable, every departmental head responsible for revenue collection shall ensure that all revenues are banked daily with the municipality's banker(s).

6. UNIDENTIFIED DEPOSITS

6.1 Municipal Bank Account Deposits, Direct Transfers and Electronic Banking

- Identify all the direct credits on the bank statement, such as direct deposits by ratepayers, consumers and levy payers, subsidies and grants paid by National and Provincial governments, interest on investments and miscellaneous credits. Process these credits by capturing to the respective votes on the system.
- Identify full details of these credits timely to avoid having to account for these credits in the Unidentified Deposits Account;
- Record all unidentified credits (deposits) in a suitable register to facilitate future claims against the amount and follow up; and
- Balance the unidentified deposits register to the Unidentified Deposits Account in the general ledger on a monthly basis.

6.2 Direct Bank Payments

Direct payments such as direct deposits / bank transfers to the municipality's bank account are received without proper reference and the origin of the payment cannot always be allocated.

6.3 Receipts and Clearing of Accounts

All receipts must be correctly allocated to the relevant debtors account and furthermore the amount must be correctly allocated to the correct services paid for.

The payee cannot be identified when there is no reference against the deposit when it appears on the bank statement. These deposits have to be identified and captured into the receipting system to ensure that debtors' accounts are credited. Direct deposits/bank transfers to the municipality's bank account have to be accompanied by identification (reference) of the party making the deposit/ transfer.

6.4 Procedures Regarding Unidentified Deposits

Any unknown deposits will be temporarily posted to the Creditors Account – Unidentified Deposits. These amounts must be traced to deposits or remittances and must be followed up by contacting the payee or bank where applicable, to verify for what or whom the payment was received.

Unallocated deposits in the Unidentified Deposits Account should be traced as to its origin, the details of the depositor and journalised to the correct accounts. Debtors / ratepayers are notified and requested to include account numbers on deposit slips when paying by internet banking and specific reference when payment is made to ensure that the unidentified deposits reduces.

When deposits are received without adequate supporting documentation or explanation, the amounts are posted to the Unidentified Deposits Account and it is the responsibility of employees to investigate and clear each item and the following procedures are followed:

- All unidentified credits (receipts) should be recorded in a suitable register to facilitate future claims against the amount and followed up; and
- Balance the unidentified deposits register to the Unidentified Deposits Account in the General ledger on a monthly basis.

These accounts should be monitored and reconciled on a monthly basis. It should be manageable to reconcile and keep these accounts

up to date each month, once long outstanding items have been cleared and correctly allocated.

After a period of 6 (six) months when no claims are made or the origin of the deposit is still unknown / unidentified, the unknown deposit as posted in the Unidentified Deposit Account will be journalised to the Sundries Revenue Account.

A report must be submitted on a regular basis to Council with regard to unidentified deposits that have been identified and allocated accordingly and those deposits that have been transferred to the Sundries Revenue Account.

Quality certificate

I, S S Ngiba, Acting Municipal Manager of the Alfred Duma Local Municipality, KZN 238 hereby certify that the final 2017/2018 budget and supporting documentation has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the final budget and supporting documents are consistent with the Integrated Development Plan of the municipality.


Print Name: Sibusisiwe Sixolile Ngiba

Acting Municipal Manager of Alfred Duma Local Municipality (KZN 238)

Signature:



Date:



ANNEXURE 7

ALFRED DUMA LOCAL MUNICIPALITY



VIREMENT POLICY

2017/2018

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1. Definitions

1. **“Accounting officer”** means the Municipal Manager of Alfred Duma local Municipality.
2. **“Executive Director Finance (CFO)”** means a person designated in terms of the MFMA who performs such budgeting, and other duties as may in terms of section 79 of the MFMA be delegated by the accounting officer to the Executive Director Finance (CFO).
3. **“Capital budget”** this is the estimated amount for capital items in a given fiscal period. Capital items are fixed assets such as facilities and equipment, the cost of which is normally written off over a number of fiscal periods.
4. **“Council”** means the council of Alfred Duma Local Municipality.
5. **“Financial year”** means a 12-month year ending 30 June.
6. **“Line item”** an appropriation that is itemised on a separate line in a budget adopted with the idea of greater control over expenditure.
7. **“Operating budget”** The Municipality’s financial plan, which outlines proposed expenditures for the coming financial year and estimates the revenues used to finance them.
8. **“Service delivery and budget implementation plan”** means a detailed plan approved by the mayor of a municipality in terms of section 53(1) (c) (ii) for implementing the municipality’s delivery of municipal services and its annual budget.
9. **“Virement”** is the process of transferring an approved budget allocation from one operating line item or capital project to another, with the approval of the relevant manager to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes.
10. **“Vote”** means one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different departments or functional areas of the municipality, and which specifies the total amount that is appropriated for the purposes of the department of functional area concerned.

2. Background and Purpose

- 2.1 Virement is the process of transferring approved funds from one line item of the budget to another, essentially a means of utilising funds set aside for one purpose within a budget for expenditure of a different purpose.

2.2 Virement is to be used to encourage a flexible approach to utilising allocated funds, which enables managers to take advantage of opportunities that arise within the current financial year and give managers the motivation to reduce costs, control budgets and provide an efficient and effective service.

2.3 Each year, the Municipality creates an annual budget which must be approved by Council. It is intended that the budget will be set for the duration of the financial year. However, circumstances and priorities may change resulting in over-budgeted and under-budgeted expenditure which will require movement between line items.

3. **Application of the Policy**

3.1 **This policy applies to transfers between line items within votes, transfers between votes, and transfers between sub-votes of the Municipality's budget.**

3.2 Section 28(2) of the MFMA provides that "An adjustments budget may authorise the utilisation of projected savings in one vote towards the spending in another vote."

3.3 *"Vote means –*

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- (b) which specifies the total amount is appropriated for the purposes of the department or functional areas concerned.

3.4 **Savings may be utilised in the amount appropriated under a main expenditure category (e.g General Expenses, Repairs and Maintenance, etc.) within a vote towards the defrayment of excess expenditure under another main expenditure category within the same vote, with the approval of the Executive Director Finance (CFO)**

3.5 **With the implementation of MSCOA, a virement will only be necessary if there are insufficient funds as a whole on the project segment i.e funds may be shifted within a project without the requirement of a virement. However, a virement will be required if funds are to be shifted between the projects.**

4. Limitations on the amount of Virement

4.1 (a) The total amount transferred from and to votes or sub-votes in any financial year may not exceed 20% of the total approved operating expenditure budget for that vote or sub-vote.

(b) The total amount transferred from and to line items in the entire budget in any financial year may not exceed 10% of the total operating budget for that year.

(c) The amount of any one transfer of fund between line items may not exceed the sum of R 200,000.00.

4.2 A transfer which exceeds, or which would result in the exceeding of any of the limits referred to may be performed if approved by the Accounting Officer.

5. Virement Permitted only if Savings are Projected

A transfer of funds from one line item to another may only take place if there are projected savings from the line item from which the funds are to be transferred.

6. Further Restrictions on Virement

6.1 A transfer of funds between line items shall not be permitted if:

(a) alter the approved outcomes or outputs of an Integrated Development Plan;
or

(b) result in any adjustments to the Service Delivery and Budget Implementation Plan; and

(c) Contravene any policy of the Municipality.

6.2 The transfer of funds may not be made between or from capital items or projects without the approval of the accounting officer.

6.3 To the extent that it is practical to do so, transfers within the first three months of the financial year should be avoided

6.4 In accordance with Section 30 of the MFMA, no transfer of funds may be made from a line item of a budget for a particular year to a line item of a budget for a subsequent year.

6.5 The transfer of funds in any year shall not give rise to expectations of a similar transfer occurring in a subsequent year.

6.6 The transfer of funds must in any event not contravene the provisions of paragraph 4.6 of the MFMA Circular 51 (Municipal Budget Circular of the 2010/2011 MTREF) which provides as follows:

- (a) "Virements should not be permitted in relation to the revenue side of the budget;
- (b) Virements between votes should be permitted where the proposed shifts in funding facilitate sound risk and financial management (eg. The management of central insurance funds and insurance claims from separate votes);
- (c) Virements from the capital budget to the operating budget should not be permitted;
- (d) Virements towards personnel expenditure should not be permitted;
- (e) Virements to or from the following should not be permitted: bulk purchases, debt impairment, interest charges, depreciation, grants to individuals, revenue foregone, insurance and VAT;
- (f) Virements should not result in adding "new" projects to the Capital Budget;
- (g) Virements of conditional grant funds to purposes outside of that specified in the relevant conditional grant framework must not be permitted.

6.7. No virement proposal shall affect amounts to be paid to another Department without the agreement of the Manager of that Department, as recorded on the signed virement form. (Section 15 MFMA)

7. Procedure for Virement

7.1 Transfers may only be made by the Heads of Department or senior delegated officials in the Budget and Treasury Department

7.2 The Accounting Officer shall prescribe a form on which all transfers shall be made, not limited to the following:

- (a) The name of the department
- (b) Descriptions of the line items to be used
- (c) The amount of the transfer
- (d) The saving in the line item from which the transfer is to be made
- (e) The reason for the transfer; and

7.3 Each transfer shall be submitted by the head of department to the Executive Manager Finance (CFO)

7.3.1. The Executive Manager Finance (CFO) can either:

- (a) Approve the transfer
- (b) Reject the transfer
- (c) Refer the transfer to the Municipal Manager

7.4 Virements in respect of conferences and delegations and entertainment shall be approved by the CFO.

8. Financial Responsibilities

Strict budgetary control must be maintained throughout the financial year, in order to identify potential overspends and / or income under-recovery within individual vote departments are identified at the earliest possible opportunity. (Section 100 MFMA)

The Executive Manager Finance (CFO) has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls. (Section 27(4) MFMA)

It is the responsibility of each manager or head of a department or activity to which funds are allocated, to plan and conduct assigned operations so as not to expend more funds than budgeted. In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA sections 78 and 102.

9. Reporting

The Accounting Officer shall submit a report on all transfers made under this Policy to the Mayor every quarter.

ALFRED DUMA LOCAL MUNICIPALITY
INVENTORY POLICY



ALFRED DUMA LOCAL MUNICIPALITY
INVENTORY MANAGEMENT POLICY

ALFRED DUMA LOCAL MUNICIPALITY INVENTORY POLICY

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1. DEFINITIONS

1.1 In this Policy, unless the context indicates otherwise, the following definitions are applied:-

“Accounting Officer” means the Municipal Manager for the Municipality as contemplated in section 60 of the Local Government: Municipal Finance Management Act, 56 of 2003

“CFO” means the Chief Financial Officer designated in terms of section 80(2)(a) of the Local Government: Municipal Finance Management Act, 56 of 2003

“Delegated authority” means the official who is given the authority for relevant functions in terms of the municipality’s written delegations;

“Inventories” are assets:
 In the form of material or supplies to be consumed in the production process,
 In the form of materials or supplies to be consumed or distributed in the rendering of services
 Held for sale or distribution in the ordinary course of operations, or
 In the process of production for sale or distribution

ALFRED DUMA LOCAL MUNICIPALITY INVENTORY POLICY

<i>“Obsolete inventory”</i>	means items that have expired, are redundant or damaged;
<i>“Re-order level”</i>	means the level of inventory at which inventory is re-ordered;
<i>“Requisition form”</i>	means a written request to the Inventory Supervisor to supply specified inventory;
<i>“Store”</i>	means a place where inventory is stored and reserved for future use, or a source from which supplies may be drawn;
<i>“Inventory Accountant”</i>	means the official responsible for the requisition, receipt, issue, recording and safeguarding of inventory; and
<i>“Storeman”</i>	means the official responsible for the cost-effective and efficient management of inventory.

2. OBJECTIVE OF THE POLICY

- 2.1 The policy aims to achieve the following objectives which are to:-
- Provide guidelines that must be followed in the management and control of inventory, including safeguarding and disposal of inventory.
 - Procure inventory in line with the established procurement principles contained in the Municipality's Supply Chain Management Policy.
 - Eliminate any potential misuse of inventory and possible theft.

3. SCOPE

- 3.1 This policy applies to EMNAMBITHI/LADYSMITH MUNICIPALITY's inventory section of the department of finance.
- 3.2 This policy specifically excludes:
- Pharmaceutical inventory, livestock and face value forms; and
 - Equipment and other assets not defined as inventory;

ALFRED DUMA LOCAL MUNICIPALITY INVENTORY POLICY

4. LEGAL FRAMEWORK

4.1 In terms of the MFMA, the Accounting Officer for a municipality must:

- a) Be responsible for the effective, efficient, economical and transparent use of the resources of the municipality as per section 62 (1)(a);
- b) Take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure and other losses as per section 62(1)(d);
- c) Be responsible for the management, including the safeguarding and the maintenance of the assets, and for the management of the liabilities, of the municipality as per section 63 (1)(a) and (b).

4.2 **In terms of the following paragraph of GRAP 12:**

- 14 Inventories shall be recognized as an asset if, and only if,
- a) it is probable that future economic benefits or service potential associated with the item will flow to the entity ,and
 - b) the cost of the inventories can be measured reliably

MEASUREMENT AT RECOGNITION

- 15 Inventories that qualify for recognition as assets shall initially be measured at cost
- 16 Where inventories are acquired at no cost, or for nominal consideration, their costs shall be their fair value as at the date of acquisition

MEASUREMENT AFTER RECOGNITION

- 17 Inventories shall be measured at the lower of cost and net realization value, except where paragraph 18 applies
- 18 Inventories shall be measures at the lower of cost and current replacement cost where they are held for:
- a) distribution at no charge or for a nominal charge ,or
 - b) consumption in the production process of goods to be distributed at no charge or for a nominal charge.

RECOGNITION AS AN EXPENSE

- 43 When inventories are sold, exchanged or distributed the carrying amount of those inventories shall be recognized as an expense in the period in which the related revenue is recognized. If there is no related revenue, the expense is recognized when the goods are distributed, or related service is rendered. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write –down of inventories ,arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

ALFRED DUMA LOCAL MUNICIPALITY INVENTORY POLICY

- .44 Some inventories may be allocated to other assets accounts, for example, inventory used as a component of self-constructed property, plant or equipment. Inventories allocated to other assets in this way are recognized as an expense during the useful life of that asset.

5 PURPOSE OF THE INVENTORY PROCEDURES

5.1 The procedures for inventory must be followed to ensure that:

- a) Inventory is safeguarded at all times;
- b) There are accurate records of quantities on hand at all times;
- c) Optimum inventory levels are maintained to meet the needs of users;
- d) Only authorised issues of inventory are made to users; and
- e) Items placed in store are secured and only used for the purpose for which they were purchased.

5.1.1 Inventory Procedure : Aquisitions

The store's manager in our case the Accountant: Inventory will complete a procurement request form (PRF).

The section head (Assistant Manager: Assets and Inventory) and the Head of Department (CFO) will approve the requisition.

PRF will be sent to Supply Chain Management.

SCM will obtain the quotes and place the orders.

Orders will be received by the store's manager (Accountant: Inventory) and he/she must keep records of the original delivery note and forward the copy of the delivery note to the Creditors together with the GRN.

The store's manager (Accountant Inventory) will complete the goods received note and forward it to the creditors. Creditors will attach the GRN to the Original order with the copy of the delivery note and capture the receipts into Samras system.

5.1.2 Inventory Procedure.

Maintenance stores

- The purpose of the stock take is to ensure that reconciliations between manual system (bin Cards) and the electronic system (Samras) are fully reconciled and
- to eliminate discrepancies in stock items, fraud and corruption.
- The procedure for conducting the stock count
- Quality control procedures throughout the year
- Disclosures

5.1.3. Distribution

- A stores requisition will be completed for all issues from stores.

ALFRED DUMA LOCAL MUNICIPALITY INVENTORY POLICY

5.2 Appointment of Responsible Officials

- 5.2.1 The CFO must appoint, in writing, officials to perform the duties of an inventory accountant and storeman in terms of this Policy.
- 5.2.2 Adequate segregation of duties between the requisition, receipt, recording, storage and safekeeping of inventory and the management and control thereof must be maintained to avoid the potential occurrence of errors and fraud.

5.3 Ordering of Inventory

- 5.3.1 Each department must set its own Inventory reorder levels for all items in consultation with the CFO, the inventory levels must indicate the minimum and maximum inventory that can be maintained.
- 5.3.2 Due diligence and care shall be exercised in identifying low value and high value items of inventory
- 5.3.3 Minimum inventory level of high value items shall be ordered, any maximum order shall be based on specific requirement/need in order to avoid large amount of cash tied up on inventory.
- 5.3.4 A reorder listing should be printed daily and reviewed by the Inventory Accountant
- 5.3.5 The Accountant must use the listing as a primary source of information to complete the requisition form.
- 5.3.6 The requisition form must be completed in duplicate, with one copy kept in the requisition book and an original copy forwarded to the procurement section.
- 5.3.7 A copy of the purchase order form will then be forwarded by the procurement department to the inventory department.
- 5.3.8 Orders must thereafter be filed in date sequence.
- 5.3.9 This file must form the basis for follow up of orders and for matching goods that are delivered to inventory section.
- 5.3.10 The orders file should be reviewed daily by the Inventory Accountant and any orders, which have not been delivered as per the agreement with the buyer, must be followed up immediately.

5.4 Receipt of Inventory

- 5.4.1 The quantity and quality of the inventory received from suppliers must be according to specifications.
- 5.4.2 The Storeman must compare the delivery note to the purchase order before accepting the goods.
- 5.4.3 The invoice must match the supplier name and order number.
- 5.4.4 Inventory Supervisor (as per deployment) must ensure that:
 - a) All delivery notes are signed
 - b) All incorrect delivery items are rejected and clearly identified on both copies of the delivery note; and
 - c) The supplier signs all amendments

ALFRED DUMA LOCAL MUNICIPALITY INVENTORY POLICY

5.4.5 The inventory received must be transferred to the secured store by the Inventory Supervisor and the inventories must be stored in their respective sections as detailed in 5.5.

5.4.6 The inventory record/register/database must be updated.

5.5 Storage of Inventory

5.5.1 Inventory must be stored in a secured, exclusive use area, under lock and key, furthermore the inventory must be insured in terms of the Risk Management Policy of the municipality.

5.5.2 The area must be used exclusively for the storage of inventory, with limited authorized access only.

5.5.3 Inventory must be positioned to facilitate efficient handling and checking.

5.5.4 All items must be stored separately, with proper segregation.

5.5.5 Inventory must be clearly labeled for easy identification. Inventory tag/bin cards or inventory labels may be used to identify each item and to aid in the physical verification of the items. Details should include the following:

- a) Order number;
- b) Quantity received;
- c) Date of receipt;
- d) Quantity issued;
- e) Date of issue;
- f) Maximum stock level;
- g) Re-order level;
- h) Re-order quantity;
- i) Closing stock; and
- j) Any other relevant information.

5.5.6 Where possible, all items of the same type and reference must be stored together as per the description on the inventory records.

5.5.7 Items with limited shelf life must be rotated on a first in first out basis, in accordance with paragraph .35 of GRAP, to reduce the occurrence of expired or obsolete stocks.

5.5.8 Due diligence and care must be exercised to prevent damage of, or deterioration of inventory.

5.5.9 Due regard must be given to any safety standards which may apply to the storage of certain inventories.

5.5.10 Steps must be taken to ensure safe custody of items, including precautions against loss or theft.

5.5.11 The Storeman or Delegated Official responsible for the custody and care of inventory must ensure that in his/her absence, such items, where applicable, are securely stored.

5.5.12 The responsibility for the custody of the storeroom keys must be allocated by the delegated authority to an official who is accountable for its use.

5.5.13 No unauthorised persons/officials shall obtain entry to premises, buildings or containers where inventory is kept, unless accompanied by the responsible official.

ALFRED DUMA LOCAL MUNICIPALITY INVENTORY POLICY

- 5.5.14 Whenever a change in Inventory Accountant or Storeman occurs, an inventory count must be conducted.
- 5.5.15 An independent official shall be nominated in writing by the delegated authority to assist the official handing and taking over with the checking of the inventory and any discrepancies.
- 5.5.16 Should the above not be complied with, the official taking over shall be liable for any discrepancies.
- 5.5.17 A handing-over certificate, must be completed by the handing and taking over officials and a copy retained for record purposes.
- 5.5.18 The following fire protection precautions must be adhered to:
- a) Inventories of an inflammable or dangerous nature shall be stored and handled in such a manner that persons or property are not endangered and in compliance with the requirements of any local authority;
 - b) The area must be clearly signposted; and
 - c) Fire extinguishing equipment must be placed in the area where inventories are held and must be serviced regularly.
- 5.6 Issue of Inventory**
- 5.6.1 Only the Storeman is authorised to issue inventory from the storeroom.
- 5.6.2 Inventory must only be issued in terms of the approved requisition form of the Municipality.
- 5.6.3 All requisition forms must be ruled off immediately below the last item to prevent items being added once the requisition is authorised by the responsibility manager.
- 5.6.4 The Storeman must verify that items ordered match items reflected on the requisition form.
- 5.6.5 The official receiving the inventory must acknowledge in writing, the receipt of inventory.
- 5.6.6 Inventories must be issued and used for official purposes only.
- 5.7 Obsolete inventory**
- 5.7.1 The preparatory work for the disposal of obsolete inventory must be undertaken by the Storeman and endorsed by the Inventory Accountant.
- 5.7.2 The Accounting Officer or delegated authority must convene a Disposal Committee for the disposal of obsolete inventory.
- 5.7.3 The Disposal Committee should consist of at least four officials, one of whom must act as the chairperson.
- 5.7.4 The delegated authority may approve the write-off of inventory, if satisfied that: -
- a) The inventory has expired and is redundant;
 - b) The inventory is of a specialised nature and has become outdated due to the introduction of upgraded and more effective products;
 - c) The inventory cannot be used for the purpose for which it was originally intended; or
 - d) The inventory has been damaged and is rendered useless.

ALFRED DUMA LOCAL MUNICIPALITY INVENTORY POLICY

- 5.7.5 All disposed of items must be updated in the inventory records/register/database for the purposes of proper management and control.

5.8 Inventory count

- 5.8.1 Items may be subject to an inventory count on a monthly basis.
- 5.8.2 Where the quantity of inventory is too large for the count to be completed on a single occasion, inventory counts may be carried out on a rotational basis with a full inventory count at the end of each financial year.
- 5.8.3 All approved Municipal procedures and processes must be complied with during the inventory count.
- 5.8.4 The Inventory Accountant must document and report to the CFO after investigating any discrepancies between the inventory records/register/database, bin/tag cards or inventory labels and the physical inventory.
- 5.8.5 The CFO must submit a report with the findings to the Assistant Manager Finance: Assets, in order to have the matter reported to the Executive Committee of the Municipality for the write-off of any inventories losses, or the write –up of surpluses.
- 5.8.6 The appropriate disciplinary action must be instituted when applicable.
- 5.8.7 The inventory record/register/database must be updated accordingly.

6 INVENTORY RECORDS

- 6.1. An inventory record/register/database must be maintained for all inventory items, either manually and / or electronically.
- 6.2 All relevant information must be included for the proper management and control of all inventory items. It is recommended that details include but are not limited to:
- a) Order number/date;
 - b) Item description;
 - c) Quantity and value of stock on hand;
 - d) Quantity and value of stock received;
 - e) Quantity and value of stock issued;
 - f) Re-order level;
 - g) Optimum inventory level;
 - h) Quantity and value of obsolete stock; and
 - i) Opening/closing balance.
- 6.3 An inventory register/database must be printed monthly and the hard copy filed in a chronological order to maintain a proper audit trail.

ALFRED DUMA LOCAL MUNICIPALITY INVENTORY POLICY

7. REPORTING

- 7.1 A report must be submitted at least quarterly to the Chief Financial Officer and/or the Responsibility Manager detailing the following:
- a) Any inventory shortages or surpluses and the reasons for such;
 - b) Any inventory deficits proposed to be written-off; and
 - c) Any obsolete inventory items.
- 7.2 Inventories purchased during the financial year must be disclosed at cost in the disclosure notes of the Annual Financial Statements of the Municipality.
- 7.3 In terms of GRAP the financial statements shall disclose:
- a) the accounting policies adopted in measuring inventories, including the cost formula used,
 - b) the total carrying amount of inventories and the carrying amount in classifications appropriate to the entity,
 - c) the carrying amount of inventories carried at fair value less costs to sell,
 - d) the amount of inventories recognized as an expense during the period,
 - e) the amount of any write-down of inventories recognized as an expense in the period in accordance with paragraph .43,
 - f) the amount of any reversal of any write-down that is recognized as a reduction in the amount of inventories recognized as an expense in the period in accordance with paragraph .43,
 - g) the circumstances or events that led to the reversal of a write-down of inventories in accordance with paragraph .43, and
 - h) the carrying amount of inventories pledged as security for liabilities.

8 POLICY ADOPTION

This policy has been considered and approved by the Council of **Alfred Duma Local Municipality** on this day..... of 2017

ALFRED DUMA LOCAL MUNICIPALITY INVENTORY POLICY

HANDING-OVER CERTIFICATE

I certify that this is a true statement of inventory as per stock report attached hereto and that inventory has been duly accounted for.

Signature of official handing over inventory: _____

Designation : _____

Date : _____

I certify that this is a true statement of inventory as per stock report attached hereto and that l inventory has been duly accounted for

Signature of official taking over inventory: _____

Designation : _____

Date : _____

ALFRED DUMA LOCAL MUNICIPALITY ASSET MANAGEMENT POLICY 2017/18

Asset Management Policy

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Asset Management Policy

nature, value, and susceptibility to breaking. The Emnambithi/Ladysmith Municipality has in the past identified these items as assets and included them in the FAR. These items are consumable in nature and should not be included in the FAR. To ensure efficiency in the administration of this policy, the items on the exclusion list do not meet the definition of assets at the municipality and will be expensed when purchased.	11
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1 Key definitions

"Accounting Officer"-

Means the Municipal Manager;

"Asset"

Resources controlled by an entity as a result of past events and from which future economic benefits or service potential are expected to flow to the entity.

"Basic Municipal Service"

Means a municipal service that ~~is~~ necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Carrying Amount"

The amount at which an asset is recognised after deducting any accumulated depreciation and accumulated impairment losses.

"Chief Financial Officer"

Means a person designated in terms of section 80(2) (a) of the MFMA;

"Cost"

The amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP

"Councillor"

Means a member of a municipal council;

"Current year"

Means the financial year, which has already commenced, but not yet ended;

"Depreciable amount"

The cost of an asset, or other amount substituted for cost, less its residual value.

"Depreciation"

The systematic allocation of the depreciable amount of an asset over its useful life.

"Fair value"

The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

"Financial year"

Means a twelve months period commencing on 1 July and ending on 30 June each year

"Financing agreement"

Includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"GAMAP / GRAP 17"

The accounting standards applicable to municipalities



GAMAP – Generally Accepted Municipal Accounting Practice

GRAP – Generally Recognised Accounting Practice

“Heritage assets”

Some assets are described as “heritage assets” because of their cultural, environmental or historical significance. Examples of heritage assets include historical buildings and monuments, archaeological sites, conservation areas and nature reserves, and works of art.

“Impairment loss”

- Of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.
- Of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

“Infrastructure assets”

These assets usually display some or all of the following characteristics:

- (a) They are part of a system or network,
- (b) They are specialised in nature and do not have alternative uses,
- (c) They are immovable, and
- (d) They may be subject to constraints on disposal.

Examples of infrastructure assets include road networks, sewer systems, water and power supply systems and communication networks.

“Inventory”

Are assets:

- (a) In the form of materials or supplies to be consumed in the production process,

- (b) In the form of materials or supplies to be consumed or distributed in the rendering of services,
- (c) Held for sale or distribution in the ordinary course of operations, or
- (d) In the process of production for sale or distribution

"Investment"

In relation to funds of a municipality, means-

- (a) The placing on deposit of funds of a municipality with a financial institution;
- or
- (b) The acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"Investment properties"

Property (land or a building or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

"Local community"

Has the meaning assigned to it in section 1 of the Municipal Systems Act;

"Municipal Structures Act"

Means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act"

Means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"Long-term debt"

Means debt repayable over a period exceeding one year;

"Municipal council" or "Council"

Means the council of a municipality referred to in section 18 of the Municipal Structures Act; (refer to the MSA for definition);

"Municipality"-

- (a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or
- (b) When referred to as a geographic area, means a municipal area determined terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"MFMA"

The Local Government: Municipal Finance Management Act (No. 56 of 2003)

"Municipal Manager" "MM"

Means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act;

"Municipal service"

Has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"National Treasury" "NT"

Means the National Treasury established by section 5 of the Public Finance Management Act;

"Official"

Means-

- (a) An employee of a municipality or municipal entity;
- (b) A person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- (c) A person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee

“Property Plant and Equipment”

Are tangible assets that:

- (a) Are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and
- (b) Are expected to be used during more than one reporting period.

“PT”, “Provincial Treasury”

Means the Provincial Treasury branch established by section 5 of the Public Finance Management Act;

“Quarter”

Means any of the following periods in a financial year:

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

“Recoverable amount”

The higher of a cash-generating asset's net selling price and its value in use.

"Residual value"

The estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

"Useful life"

- (a) The period over which an asset is expected to be available for use by an entity,
- or
- (b) The number of production or similar units expected to be obtained from the asset by an entity.

"Vote"

Means-

- (a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and
- (b) Which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

2 Statutory and regulatory framework

This policy must comply with all relevant legislative requirements including:

- The Constitution of the Republic of South Africa, 1996
- The Municipal Structures Act, 1998
- The Municipal Systems Act, 2000 as amended
- The Division of Revenue Act (enacted annual)
- The Municipal Finance Management Act, 2003
- The Local Government: Municipal Finance Management Act, 2003 –
Municipal Asset Transfer Regulations (Gazette no. 31346).

This policy must comply with the standards specified by the Accounting Standards Board. The current relevant recognized accounting standards include:

- GRAP 17 Property Plant and Equipment
- GRAP 12 Inventories
- GRAP 103 Heritage Assets
- GRAP 16 Investment Properties
- GRAP 31 Intangible Assets

This policy will be updated annually or whenever legislative or accounting standard amendments significantly change the requirements pertaining to asset management in general and the administration of property, plant and equipment.

This policy should be read in conjunction with all applicable kzn 232 policies including the Supply Chain Management Policy.

3 Asset Management Policy Summary

Objectives	Key principles to be achieved
<p>The objectives of this policy are to ensure that assets are managed and accounted for by:</p> <ul style="list-style-type: none"> • Accurate recording of fixed assets and related transactions • Compliance with municipal legislation and accounting standards • Compliance with accounting policies and standards • Providing management information on fixed assets • To ensure Asset Controllers are aware of their responsibilities in regards to assets. • To set out the standards of physical management, recording and internal controls to ensure property, plant and equipment are safeguarded against inappropriate loss or utilisation. • To specify the process required before expenditure on assets. • To prescribe the accounting 	<ul style="list-style-type: none"> • Safekeeping of assets • Accurate, complete recording of all the municipality's fixed assets • Each departmental manager is responsible for the fixed assets in their department • Asset register must balance to the financial statements • Fixed assets must be properly maintained and insured • The fixed assets register and annual financial statements must comply with the applicable accounting standards and legislation applicable at the time

Asset Management Policy

<p>treatment for assets including:</p> <ul style="list-style-type: none"> - The criteria to be met before expenditure can be capitalised as an asset, - The criteria for determining the initial cost of the different assets - The method of calculating depreciation for different assets, - The criteria for capitalising subsequent expenditure on assets, - The policy for scrapping and disposal of assets, - The classification of assets. 	
---	--

Key performance areas (strategic intent)	No.
<ul style="list-style-type: none"> • Classification of fixed assets • Accounting for Property, Plant and Equipment • Safekeeping and identification of fixed assets • Format of fixed assets register • Acquisition and replacement • Capitalisation criteria • Management and operation of assets 	

Asset Management Policy

<ul style="list-style-type: none">• General planned & deferred Maintenance• Depreciation of fixed assets• Amendment of asset lives and impairment• Funding sources and reserves• Re-valuation of fixed assets• Insurance, loss, damage, theft• Disposal and retirement from use• Dislosure	
---	--

I Classification of fixed assets

I.1 Objectives

To ensure that fixed assets meeting certain criteria and characteristics are grouped and classified together according to regulated guidelines and standards.

I.2 Property, plant and equipment

The Chief Financial Officer shall insure that all fixed assets are classified as follows in the Annual Financial Statements and fixed assets register:

- Land and buildings
- Infrastructure assets
- Community assets
- Heritage assets
- Investment property
- Intangible Assets
- Leased Assets
- Housing Development Fund
- Other assets

I.3 Land and buildings

This includes property held/used for:

- The use in the production or sale of goods and services and administrative purposes
- Sale in the ordinary course of business
- Held for future own use or development
- Occupied by the municipality or employees

- Social services that generate cash flows where the revenue is incidental to the actual purpose

I.4 Infrastructure Assets

ferent from previous estimates, the depreciation charge for the current and future periods stics:

- They are part of a system or network,
- They are specialised in nature and do not have alternative uses,
- They are immovable, and
- They may be subject to constraints on disposal.

Examples of infrastructure assets include road networks, sewer systems, water and power supply systems and communication networks.

I.5 Community Assets

These assets are used by members of the community and include items such as:

- Community halls or centres
- Parks and Gardens
- Stadiums and sports grounds

I.6 Heritage assets

I.6.1 Fixed assets register

I referred to in sub regulation (I)(b)(ii) in respen the case of heritage assets, the Asset Manager should record such asset or assets in the fixed asset register at a value as determined in terms of the guidance and accounting standards for heritage assets.

I.6.2 Annual financial statements

For purposes of compiling the statement of financial position, the existence of such heritage assets shall be disclosed by means of an appropriate note in the Annual Financial Statements.

Commented [K1]: This also depends on the accounting policy that will be adopted by the municipality

I.7 Investment property

Investment property is property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for:

- (a) use in the production or supply of goods or services or for administrative purposes; or
- (b) sale in the ordinary course of operations. These are investment assets held as resources for capital or operational gain

I.7.1 Accounting and recording

- Investment Property assets will be accounted for in terms of GRAP 16 and initially recorded at cost including transaction cost. Following initial recognition the investment property will be recognized at fair value reflecting the market conditions at the reporting date. An expert valuer may be engaged by the municipality to undertake such valuations.
- Transfer to and from investment property will be in accordance with GRAP 12 Inventories or GRAP 17 Property Plant and Equipment whichever is appropriate.
- If the council of the municipality resolves to construct or develop a property for future use as an investment property, such property will be accounted for as property, plant and equipment until it is ready for its intended use and reclassified as an investment property.

I.7.2 Depreciation

- Investment assets shall not be depreciated, but shall be valued on balance sheet date to determine their fair (market) value
- Investment assets shall be recorded in the statement of position at such fair value

1.7.3 Valuation

- Adjustments to the previous year's recorded fair value shall be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the department or service controlling the assets concerned
- The Municipal Valuer shall be engaged by the municipality to undertake such valuations
- Where the council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an ordinary fixed asset until it is ready for its intended use – where after it shall be reclassified as an investment asset

1.7.4 Classification

An asset will be classified as an Investment property as per the requirements of GRAP 16, if it is land (*serviced vacant land*) it shall fall into this category and (*un-serviced vacant land*) to either PPE, Inventory, Heritage or Other applicable standards. Land marked for RDP Housing shall be classified as PPE or Inventories guided by the requirements of both standards and the intention of Council and not investment properties.

1.8 Intangible Assets

GRAP 31 defines an intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiably criterion in the definition of an intangible asset when it:

- Is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- Arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

1.9 Leased Assets

Leased assets will be treated in terms of GRAP 13 (Leases).

1.9.1 Finance lease

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. Title may or may not eventually be transferred.

The following are examples of situations which would normally lead to a lease being classified as a finance lease, a lease does not need to meet all these criteria in order to be classified as a finance lease:

- The lease transfers ownership of the asset to the lessee by the end of the lease term,
- The lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than the fair value at the date the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised.
- The lease term is for the major part of the economic life of the asset even if title is not transferred
- At the inception of the lease the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset
- The leased assets are of a such a specialised nature that only the lessee can use them without major modifications, and
- The leased assets cannot easily be replaced by another asset.

Any initial direct costs of the lessee are added to the amount recognised as an asset. The costs identified as directly attributable to activities performed by the lessee for a finance lease are added to the amount recognised as an asset.

A finance lease gives rise to a depreciation expense for depreciable assets as well as finance expense for each accounting period. The depreciation policy for depreciable leased assets

shall be consistent with that for depreciable assets that are owned, and the depreciation recognised shall be calculated in accordance with the Standard of GRAP on Property, Plant and Equipment and the International Accounting Standard on Intangible Assets. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

1.9.2 Operating lease

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under an operating lease shall be recognised as an expense in the statement of financial performance on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

1.10 Housing Development Fund

In terms of the National Treasury Guidelines from the implementation of GRAP, the Housing Development Fund is a statutory fund and must be disclosed on the Statement of Financial Position as such. Municipalities should continue operating a housing operating account.

Municipalities should include "old scheme" housing transactions in the Statement of Financial Performance, including revenue earned and expenses incurred. New expenses, such as the

Depreciation of housing rental units and the provision for bad debts, will need to be included in the Statement of Financial Performance. This means that the transactions of the "old scheme" should be budgeted for in the same manner as other activities of the municipality from both an operating and capital perspective.

When preparing financial statements, the net revenue or expenditure included in the municipality's Statement of Financial Performance will be transferred to the Housing

Development Fund through the Statement of Changes in Community Wealth. In this way, there will be compliance with the housing legislation and the new accounting standards.

I.11 Other Assets

Other assets will include assets which do not fall within the definitions described above, for example:

- Vehicles
- Machinery and equipment
- Furniture and fittings
- Computer hardware

I.12 Inventory

Inventory will be accounted for as per the requirements of GRAP 12

I.12.1 Housing Stock

This is rental or housing stock which is not held for capital gain

- This includes:
 - Land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business
 - Land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business
- These assets shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position

I.12.2 Recording

- These Inventory assets will be recorded in a separate section of the asset register and maintained as required
- Inventories shall be measured at the lower of cost and net realizable value

Asset Management Policy

- The cost of inventories shall comprise all costs of purchase, costs of development, costs of conversion and other costs incurred in bringing the inventories to their present location and condition
- Any land or buildings owned or acquired by the municipality with the intention of selling the property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing the property for the purpose of selling it in the ordinary course of business, will be accounted for as inventory
- Where the municipality owns undeveloped land, usually this will be classified as property, plant and equipment. Where there is an intention to develop such land and to sell or transfer or contract it to a third party it should be classified as inventory rather than property, plant and equipment
- The purchase of land or buildings for resale should be classified as inventory if the land or buildings is held for short-term sale in the ordinary course of operations

5 Accounting for Property, Plant and Equipment

5.1.1 Recognition of property, plant and equipment

- An item of property, plant and equipment will be recognized as an asset when:
 - It is probable that future economic benefits or potential service delivery associated with the asset will flow to the municipality,
 - The cost of the asset to the municipality can be measured reliably,
 - The municipality has gained control over the asset,
 - Irrespective of the cost, if the asset meets the recognition criteria it should be recognised as an asset
 - The asset is expected to be used during more than one financial year.

All other acquisitions of property, plant and equipment that do not meet the recognition criteria will be expensed.

5.1.2 Initial measurement

- An item of property, plant and equipment that qualifies for recognition as a non-current asset should be initially measured at its "cost of acquisition".
- This "cost of acquisition" will include all costs required to bring the asset to the proper working condition and position for its intended use. These costs usually include the following:
 - Purchase costs (less any discounts given)
 - Delivery costs
 - Installation costs
 - Professional fees for architects and engineers
 - Import duties
 - Non-refundable taxes
 - Site development costs
 - Contractor fees

i.1.3 Donations or exchanges

Where an item of property plant and equipment is acquired at no cost, or for a nominal cost, it will be initially measured at its fair value as at the date of acquisition and included in the non-current asset register.

i.1.4 Carrying amount on property plant and equipment

Subsequent to initial recognition as an asset, an item of property, plant and equipment should be carried at its cost less any accumulated depreciation, subject to the requirement to write an asset down to its recoverable amount or any subsequent revaluation.

5.1.5 ITEMS TO BE EXCLUDED FROM THE FIXED ASSET REGISTER.

items as deemed

and signed off by the Asset Manager, Director Finance or Chief Financial Officer shall be expensed upon acquisition due to their nature, value, and susceptibility to breaking. The Emnambithi/Ladysmith Municipality has in the past identified these items as assets and included them in the FAR. These items are consumable in nature and should not be included in the FAR. To ensure efficiency in the administration of this policy, the items on the exclusion list do not meet the definition of assets at the municipality and will be expensed when purchased.

Banner
Calculators
Clock
Desk Letter Tray
Drills (light duty)
Office Fans (Not Industrial)
Fire Extinguisher
Flag Pole
Garden Furniture
Heaters
Kettles
Computer Keyboard
Measuring Wheels
Mirror
Plastic Assets (Chairs Tables etc.)
Pot plant
Weight Scale
Serving tray
Stationary – Punches
Stationary – Staplers
Tile Cutter (light duty)
TV Brackets

3 Safekeeping, Identification and movement of fixed assets

3.1 Objectives

To prevent the loss, damage or theft from the misappropriation or misuse of fixed assets owned by the municipality.

3.2 Safekeeping

Each departmental head shall:

- Be directly responsible for the physical safekeeping of any fixed asset controlled or used by the department in question
- Take the necessary steps to ensure the safekeeping of fixed assets under their control
- Adhere to any written directives issued by the Chief Financial Officer in regard to the control of or safekeeping of the municipality's fixed assets

3.3 Identification

- The Chief Financial Officer shall ensure that the municipality maintains a fixed asset identification system which shall be operated in conjunction with its fixed asset register
- The identification system shall be determined by the Chief Financial Officer:
 - Acting in consultation with the municipal manager and other departmental heads
 - Comply with any legal prescriptions
 - Be decided upon within the context of the municipality's budgetary and human resources available
- Every departmental head shall ensure that the asset identification system approved for the municipality is properly applied in respect of all fixed assets controlled or used in their department

3.4 Transfers to another Asset Controller

3.4.1 Permanent transfers to another Asset Controller

- An Asset Controller retains managerial accountability and control for a particular asset unless;
 - Another Senior manager agrees in writing to accept responsibility for that asset, and
 - The Asset Manager endorses the transfer.
- The Finance Department appropriately amends the Financial Asset register for all approved transfers.
- The new Asset Controller assumes all the accountabilities of the previous Asset Controller.

3.4.2 Relocation or Reassignment of Property, Plant or Equipment

- The Asset Controller must ensure that the asset is appropriately safeguarded for loss, damage or misuse wherever it is located. Safeguarding includes ensuring reasonable physical restrictions and delegated management is implemented.
- The Asset Controller must advise the Asset Manager whenever an asset is permanently relocated or reassigned from the location (or base) or cost centre recorded in the Financial Asset Register.
- The Asset Controller must advise the Asset Manager whenever an asset is temporarily relocated or reassigned from the location (or base) or cost centre recorded in the Financial Asset Register. In this case, the Asset Controller must also advise the Asset Manager when this asset is returned.

3.4.3 Verification

- Every departmental head shall undertake a comprehensive verification of all fixed assets under their control:
 - At least once during June of every financial year
 - In compliance with the relevant written directives issued by the Asset Manager

Asset Management Policy

- ✚ Report in writing to the Asset Manager in the format determined by the Chief Financial Officer, all relevant results of such fixed asset verification not later than 30 June
- The verification will include the following for assets under their control:
 - Ensuring that all assets are bar coded (where applicable)
 - ✚ Review the useful lives
 - ✚ Review the depreciation method used
 - ✚ Assess for condition and possible impairment

Fixed assets register

3.5 Objective

To ensure that all of the municipality's fixed assets are recorded in such a way to enable adequate management and accounting for fixed assets

3.5.1 Establishment and Management of the Financial Asset Register

- The Asset Manager will establish and maintain the Asset Register containing key financial data on each asset that satisfies the criterion for recognition.
- Any additional register or database concerning information needed for the fixed asset register or asset maintenance needs to be established through the Asset Manager. The Asset Manager will be responsible to ensure that the additional asset registers or databases comply with the naming conventions of the asset register and also ensure that the information is aligned and linked to the main asset register. The Asset Manager will be responsible to ensure that all the information is updated and that no conflict of information exists within the different asset registers or databases that exist.

3.5.2 Format of the fixed assets register

The fixed assets register should contain the following for each item of property, plant and equipment:

- Asset category
- Acquisition dates
- Clear descriptions of individual items
- Location
- Department / service that controls the asset
- A unique asset identification number/Bar code
- The original cost / fair value
- Depreciation charge and accumulated depreciation

- Carrying amount
- Method and rate of depreciation
- Impairment losses incurred during the year
- Source of financing
- Insurance arrangements
- Disposal date and price
- Date retired from use
- Re-valued amounts

3.6 Provision of information for the fixed asset register

Each departmental head under whose control any fixed asset falls shall:

- Promptly provide the Asset Manager in writing with any information required to compile the fixed asset register
- Promptly advise the Asset Manager in writing of any material change which may occur in respect of such information

3.7 Recording on the register

- A fixed asset shall be recorded in the fixed assets register, as soon as it is acquired
- Where the asset is constructed over a period of time, it shall be recorded as "assets under construction" until it is available for use, where after it shall be appropriately capitalised as a fixed asset
- A fixed asset shall remain in the fixed assets register for as long as it is in physical existence
- The following assets not to be included on the Fixed Asset Register due to their cost and nature:
 - Stationary items such as (punches, calculators, etc.).
 - Plastic chairs

Asset Management Policy

- Assets attached to building (shelves, etc.) except for air conditioners
- Office bins
- Kitchen Appliances
- Notice Boards
- Other consumables (With a life span of less than a year)

An inventory list for such items is kept for audit purposes, and to be treated in accordance with GRAP requirements.

1.8 Carrying value

- All fixed assets shall be carried in the fixed asset register, and appropriately recorded in the annual financial statements, at their original cost or fair value less any accumulated depreciation
- The only exceptions to this rule shall be re-valued, impaired and heritage assets in respect of which no value is recorded in the fixed asset register

1.8.1 Internal Controls over the Financial Asset Registers

- Controls around these asset registers should be sufficient to provide an accurate, reliable and up to date account of assets under their control to the standards specified by the Chief Financial Officer and required by the Auditor-General.
- These controls will include physical management and recording of all acquisitions, assignments, transfers, losses and disposals of their assigned assets as well as regular stock-takes and systems audits to confirm the adequacy of their controls.

1 Acquisition and replacement of fixed assets

1.1 Objectives

- To ensure fair, transparent and equitable acquisition of fixed assets in terms of the supply chain management policy, capital budget and IDP priorities
- To ensure that fixed assets are replaced when they have exhausted their effective service potential

1.2 Acquisition of fixed assets

- The Asset Manager will develop and provide a form to be completed by departmental heads for new acquisitions
- Each departmental head will promptly inform the Asset Manager of new fixed assets taken into use in the format requested by the Chief Financial Officer
- Fixed assets should be acquired in terms of the approved capital budget. Any deviation from this should be approved by the Municipal Manager and Council.

1.3 Physical Receipting and Management

1.3.1 Responsibilities of the Asset Controller

- The Asset Controller must ensure that the purchase of assets complies with all municipal policies and procedures
- The Asset Controller must ensure that all moveable property, plant and equipment is duly processed, identified and bar-coded (where appropriate) before it is received into their stewardship
- Thereafter, ensure that assets received are recorded on the municipal asset register (this will be done by ensuring that the appropriate forms are completed correctly and handed over to the Asset Manager).

- The Asset Controller must ensure all moveable assets received into their stewardship are appropriately safeguarded for inappropriate use or loss. This will include appropriate control over the physical access to these assets and regular stock takes to ensure any losses have not occurred. Any known losses should be immediately reported to the Asset Manager
- The Asset Controller will do an annual stock take of property, plant and equipment as part of the annual reporting processes coordinated by the Asset Manager
- The Asset Controller must ensure that property, plant and equipment is appropriately utilized these assets for the purpose that the municipality acquired them.

7.3.2 The date of acquisition

- The date of acquisition of an asset is deemed to be the time when legal title and control passes to the municipality.
- This may vary for different categories of assets but will usually be the point of time when the payment for that asset is approved.

7.4 Replacement of fixed assets

- Fixed assets will be replaced when they can no longer deliver the services effectively and efficiently
- Each departmental head will assess the service potential of the fixed assets under their control annually
- The results of these assessments will be included into each departmental head's contribution to the IDP and capital budgeting process

3 Capitalisation criteria

3.1 Objective

To ensure that only items that meet the criteria and characteristics for fixed assets are capitalised as such

3.1.1 Recognition of fixed assets

All items that meet the recognition criteria in terms of GRAP 17 will be recognised and accounted for as such.

3.2 Reinstatement, maintenance and other expenses

3.2.1 Enhancement and rehabilitation costs

Only expenses incurred in the following shall be capitalised:

- Enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset)
- Material extension of the useful life

3.2.2 Maintenance costs

Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses

3.2.3 Expenses to bring the asset into operation

- Expenses to bring the fixed asset into operation will be capitalised as part of such fixed asset
- Such expenses may include the following costs:
 - Import duties
 - Forward cover
 - Transportation

- ✚ Installation
- ✚ Assembly
- ✚ Commissioning

1.2.4 Subsequent expenditure on property plant and equipment

- Subsequent expenditure relating to an item of property, plant and equipment that has already been recognized should be added to the carrying amount of the asset when it is probable that future economic benefits or potential service delivery, in excess of the originally assessed standard of performance of the existing asset, will flow to the municipality.
- ✚ All other expenditure should be recognized as an expense in the period in which it occurred.
- Before allowing the capitalization of subsequent expenditure, the Asset Manager must be satisfied that this expenditure significantly:
 - ✚ Increases the life of that asset beyond that stated in the asset register, or
 - ✚ Increases the quality of service that asset beyond the existing level of service, or
 - ✚ Increases the quantity of services that asset can provide, or
 - ✚ Reduces the future assessed costs of maintaining that asset.
- ✚ Expenditure that is proposed to be capitalized must also conform to recognition criteria for non-current assets and should also be appropriately included in the approved capital budget.
- Where it is desired to capitalise future component replacements, refurbishments or renewals, then please refer to the section on major components in this policy

3 Management and operation of assets

3.1 Objectives

To ensure that the municipality's fixed assets are effectively utilised and maintained.

3.1.1 Accountability to manage property plant and equipment

- Each Departmental Manager is accountable to ensure that municipal resources assigned to them are utilized effectively, efficiently, economically and transparently. This would include;
 - Developing appropriate asset management systems, procedures, processes and controls for managing assets,
 - Providing accurate, reliable and up to date account of assets under their control,
 - The development and motivation of relevant strategic asset management plans and operational budgets that optimally achieve the municipality's strategic objectives.

3.1.2 Contents of a strategic asset management plan

- Asset Controllers need to manage assets under their control to provide the required level of service or economic benefit at the lowest possible long-term cost. To achieve this, the Asset Controller will need to develop strategic asset management plans that cover:
 - Alignment with the Integrated Development Plan
 - Operational guidelines,
 - Performance monitoring,
 - Maintenance programs,
 - Renewal, refurbishment and replacement plans,
 - Disposal and Rehabilitation plans,
 - Operational, financial and capital support requirements, and
 - Risk mitigation plans including insurance strategies

Asset Management Policy

- The operational budgets are the short to medium term plan for implementing this strategic asset management plan.

3.1.3 Reporting on Emerging Issues

Each Asset Controller should report to the Municipal Manager on issues that will significantly impede the assets capability to provide the required level of service or economic benefit.

10 General, planned and deferred Maintenance

10.1 Objectives

To ensure that fixed asset maintained to a level to ensure that the fixed asset can be used efficiently and services can be effectively rendered to the community by:

- Planned maintenance
- General maintenance
- Reporting and follow-up of deferred maintenance

10.2 General and planned maintenance

- Every departmental head shall be directly responsible for ensuring that all assets are properly maintained to ensure:
 - ☐ That such assets provide the desired level of service and;
 - ☐ Attain their useful operating lives

10.2.1 Maintenance planning

- An annual maintenance plan shall be prepared and submitted by each departmental head when the capital and operating budget is prepared annually
- A maintenance plan shall be submitted to the council prior to any approval being granted for the acquisition or construction of the infrastructure asset concerned
- The departmental head of the department controlling or using the infrastructure asset in question, shall annually report to the council at least quarterly) on:
 - ☐ The extent to which the relevant maintenance plan has been complied with
 - ☐ The likely effect which any non-compliance may have on the useful operating life of the asset concerned
- An annual maintenance plans should be approved by Council. The extent with which the approved maintenance plan is short of the required maintenance to maintain the assets to

operate at its desired level should be disclosed. The effect of this short planning and the overall asset live cycle cost should be should be considered during the approval process.

10.3 Deferred maintenance

10.3.1 Disclosure of deferred maintenance

If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved maintenance plan for any infrastructure asset the Chief Financial Officer shall disclose the extent of and possible implications of such deferred maintenance in an appropriate note to the financial statements

Such note shall also indicate any plans which the council of the municipality has approved in order to redress such deferral of the maintenance requirements concerned

I1 Depreciation**I1.1 Objectives**

To ensure that the accounting records and annual financial statements reflect fixed assets at a value in accordance with the rate at which the economic benefits and service potential has been utilised

I1.2 Depreciation**I1.2.1 Assets to depreciate**

All fixed assets, except land and heritage assets, shall be depreciated

I1.2.2 Calculation of depreciation

- Depreciation will take the form of an expense both calculated and debited on a monthly basis against the appropriate line item in the department or vote in which the asset is used or consumed
- Depreciation shall initially be calculated from:
 - The day following the day in which a fixed asset is acquired or
 - In the case of construction works and plant and machinery – the day following the day in which the fixed asset is brought into use, until the end of the calendar month concerned
- Thereafter, depreciation charges shall be calculated monthly
- Depreciation will be included in the annual operating budget

I1.2.3 Rate of depreciation

- The Asset Manager shall assign a useful operating life to each depreciable asset recorded on the municipality's fixed asset register
- The useful life shall be determined in consultation with the departmental head concerned

I1.2.4 Depreciation rate

- The Asset Manager shall depreciate all depreciable assets on the straight-line method of depreciation over the assigned useful operating life of the asset in question

11.2.5 Initial determination useful life

- Each Asset Controller needs to determine the useful life of a particular item or class property, plant and equipment through the development of a strategic asset management plan that forecasts the expected useful life that asset. This should be developed as part of the Pre-Acquisition Planning that would consider the following factors:
 - The operational, maintenance, renewal and disposal program that will optimize the expected long term costs of owning that asset,
 - ✦ economic obsolescence because it is too expensive to maintain,
 - ✦ functional obsolescence because it no longer meets the municipalities needs,
 - ✦ technological obsolescence,
 - ✦ social obsolescence due to changing demographics, and
 - ✦ legal obsolescence due to statutory constraints.
- Spares purchased specifically for a particular asset, or class of assets, and which would become redundant if that asset or class was retired or use of that asset or class was discontinued, must be considered to form part of the historical cost of that asset or class. The depreciable amount of such spares must be allocated over the useful life of the asset or class.

11.2.6 Review of useful life

The useful life of an item property, plant and equipment should be reviewed regularly and if expectations are significantly different from previous estimates, the depreciation charge for the current and future periods should be adjusted.

11.2.7 Review of depreciation method

- The depreciation method applied to property, plant and equipment should be reviewed regularly, and if there has been a significant change in the expected pattern of economic benefits or potential service delivery from those assets, the method should be changed to reflect the changed pattern.

- When such a change in depreciation method is necessary the change should be accounted for as a change in accounting estimate and the depreciation charge for the current future periods should be adjusted.

11.3 Componentisation of major portions of assets

In terms of GRAP 17:53: "Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately."

- An Asset Controller may, with agreement of the Asset Manager, treat specified major components of an item of property plant or equipment as a separate asset for the purposes of this policy.
- These major components may be defined by its physical parameters (e.g. a reservoir roof) or its financial parameters (e.g. a road surface).
- In agreeing to these treatments the Asset Manager must be satisfied that these components:
 - ☐ Have significantly a different useful life or usage pattern to the main asset,
 - ☐ Align with the asset management plans,
 - ☐ The benefits justify the costs of separate identification,
 - ☐ It is probable that future economic benefits or potential service delivery associated with the asset will flow to the municipality,
 - The cost of the asset to the municipality can be measured reliably,
 - The municipality has gained control over the asset,
 - ☐ The costs is above the recognition threshold, and
 - ☐ The asset is expected to be used during more than one financial year.
- All such decisions and agreements will be confirmed before the beginning of the financial year and submitted for approval with the budget. Any amendments will only be permitted as part of a budget review.

Asset Management Policy

- Once a major component is recognized as a separate asset, it may be acquired, depreciated and disposed of as if it were a separate asset.
- All other replacements, renewals or refurbishments of components will be expensed

12 Amendment of asset lives and impairment in value of fixed assets

12.1 Objective

To ensure that the amendment of asset lives or the diminution in value thereof must take place in a controlled manner based on the operating value and service potential of those fixed assets

12.2 Amendment of asset lives

12.2.1 Authority to amend useful life

Only the Asset Manager may amend the useful operating life assigned to any fixed asset

12.2.2 Circumstances to amend useful life

- The Asset Manager shall amend the useful operating life assigned to any fixed asset if:
 - it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or
 - Any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be consumed

12.3 Impairment of fixed asset value

12.3.1 Circumstances to fully depreciate fixed assets

- A fixed asset shall be fully depreciated where:
 - Where the value of a fixed asset has been diminished to such an extent that it has no or a negligible further useful operating life or value
 - Where a fixed asset has been lost, stolen or damaged beyond repair
 - Physically ceased to exist
- These additional depreciation expenses shall be debited to the department or vote controlling or using the fixed asset in question

12.4 Impairment of fixed assets

- A fixed asset is said to be impaired where the recoverable amount or the recoverable service value is less than the carrying amount reflected in the accounting record
- Each departmental head shall annually, judge the useful lives, value and impairment of all the fixed assets under their control and submit to the Asset Manager
- When such a decline has occurred, the carrying amount should be reduced to the recoverable amount
- The amount of the reduction should be recognized as an expense immediately, unless it reverses a previous revaluation in which case it should be charged to a non-distributable reserve
- For asset providing economic benefits, the recoverable amount is the net present value of future ownership
- For asset providing future service delivery, the recoverable amount is the remaining proportional of its useful life, service capacity or quality of service that is not intended to be restored by normal maintenance programs

12.4.1 Subsequent increase in recoverable amount

- A subsequent increase in the recoverable amount of an asset, previously written down due to a decline in the carrying amount should be written back when the circumstances and events that led to the write-down or write-off cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future
- The amount written back should be reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred

13 Funding sources and reserves

13.1 Objectives

- To ensure that fixed assets are funded in terms of the funding sources available
- To ensure that funding sources are completely and accurately disclosed in the fixed asset register and

13.1.1 Main funding sources

The main sources of finance to be used to acquire assets will be as follows:

- Capital Replacement Reserve (CRR)
- Grants, subsidies and public contributions
- Revenue contributions
- Cash surplus

13.1.2 Capital Replacement Reserve (CRR)

- Council must annually approve the basis and amounts for which contributions should be appropriated to the CRR
- This appropriation will be done in consideration of the funds available and future capital programme
- The CRR funds will be accumulated by:
 - Annual revenue contribution
 - Profit on disposal of assets
- When a fixed asset is financed from the CRR an amount is transferred to the CRR to Accumulated Surplus equal to the cost thereof
- The balance in the reserve must be cash backed

13.1.3 Conditional grants, subsidies, public contributions and donations

- Unspent grants are to be accounted for and disclosed in terms of GAMAP/GRAP 17
- These funds will be cash backed and invested until utilised
- The interest earned from investments will be treated in terms of the conditions of the grant

13.1.4 Revenue contributions

Revenue may be used to finance fixed asset items in terms of the approved budget

13.1.5 Surplus cash

- If there is sufficient surplus cash available, fixed assets may be financed directly from surplus cash
- Depreciation charges on these assets will not be offset

14 Re-valuation of fixed assets

14.1 Objective

Accurate re-valuation of fixed assets where the re-valuation model is used

14.1.1 Re-valuation process

- All land and buildings recorded in the municipality's fixed asset register shall be re-valued with the adoption by the municipality of each new valuation roll
- The Asset Manager shall adjust the carrying value of the land and buildings concerned to reflect in each instance the value of the fixed asset as recorded in the valuation roll, provided the Asset Manager is satisfied that such value reflects the fair value of the fixed asset concerned
- Re-valued fixed assets shall thereafter be depreciated on the basis of its re-valued amount

14.1.2 Re-valuation reserve

The Chief Financial Officer shall create a revaluation reserve for fixed assets that have been re-valued equal to the difference between the value as recorded in the and/or determined by a qualified valuer and the carrying value of the fixed asset in the asset register.

14.1.3 Depreciation of re-valued property

- The fixed asset concerned shall, in the case of buildings, thereafter be depreciated on the basis of its re-valued amount over its remaining useful operating life
- The increased depreciation expenses must be budgeted

15 Insurance, loss, damage, theft

15.1 Objective

To ensure that municipal fixed assets are adequately insured and adequate records are kept of loss, damage and theft.

15.2 Insurance of fixed assets

- The Chief Financial Officer shall ensure that all the fixed assets are adequately insured
- The municipal manager shall recommend to the council of the municipality, after consulting with the Chief Financial Officer, the basis of the insurance to be applied to each type of fixed asset: either
 - The carrying value or
 - The replacement value of the fixed assets concerned
- Such recommendation shall take due cognisance of the budgetary resources of the municipality
- The Chief Financial Officer shall ensure that insurance cover is sourced in terms of the supply chain management policy of the municipality
- The Chief Financial Officer shall annually submit a report to the council of the municipality for approval on any reinsurance cover which it is deemed necessary to procure for the municipality's self-insurance reserve

15.3 Loss, damage, theft of fixed assets

- Every departmental head shall promptly report every incident of loss, theft, destruction, or material impairment of any fixed asset controlled or used by the department in writing to the Chief Financial Officer and;
- In cases of suspected theft or malicious damage to municipal be reported to the South African Police Service
- Each departmental head shall prepared a schedule of loss, damage and theft and submit it to the Chief Financial Officer annually by 30 June

Asset Management Policy

- The Asset Manager will then reconcile this information to the insurer's schedule and collate it into a report for external audit.

16 Disposal and retirement from use

16.1 Objective

To ensure that disposal and transfer of ownership of any fixed asset shall be fair, equitable, transparent, competitive, consistent with the Supply Chain Management Policy and regulations.

16.2 Municipal asset transfer regulations

The municipality will comply with the Local Government: Municipal Finance Management Act, 2003 – Municipal Asset Transfer Regulations (Gazette no. 31346) for all assets transferred or permanently disposed of. The following are the key areas of compliance:

- The Disposal Committee will meet to discuss which assets to dispose of
- The Accounting Officer must conduct a public participation process for the disposal of assets greater than 5% of the total value of assets
- Council must authorise the public participation process
- The municipal council must, when considering any proposed transfer or disposal, take into account the following:
 - Whether the capital asset may be required for the municipality's own use at a later date
 - The expected loss or gain that is expected to result from the proposed transfer or disposal
 - The extent to which any compensation to be received in respect of the proposed transfer or disposal will result in a significant economic or financial cost or benefit to the municipality,
 - The risks and rewards associated with the operation or control of the capital asset that is to be transferred or disposed of in relation to the municipality's interests;

- The effect that the proposed transfer or disposal will have on the credit rating of the municipality, its ability to raise long-term or short-term borrowings in the future and its financial position and cash flow;
- Any limitations or conditions attached to the capital asset or the transfer or disposal of the asset, and the consequences of any potential non-compliance with those conditions;
- The estimated cost of the proposed transfer or disposal;
- The transfer of any liabilities and reserve funds associated with the capital asset; any comments or representations on the proposed transfer or disposal received from the local community and other interested persons;
- Any written views and recommendations on the proposed transfer or disposal by the National Treasury and the relevant provincial treasury;
- The interests of any affected organ of state, the municipality's own strategic, legal and economic interests and the interests of the local community; and compliance with the legislative regime applicable to the proposed transfer or disposal.

16.3 Disposal of fixed assets

- Each departmental head shall report in writing to the Asset Manager annually on all fixed assets controlled or used by the department concerned on which assets they wish to dispose of by public auction, public tender or write-off by 30 June each year
- Each departmental head must take the necessary steps to ensure that all obsolete or damaged assets are disposed of in an appropriate and approved manner.

16.4 Other write-offs

- A fixed asset shall be written-off only on the recommendation of the departmental head of the department controlling the asset and with the final approval of Council

Asset Management Policy

- Every departmental head shall report annually to the Asset Manager which fixed assets they wish to have written-off, stating the full reason for such recommendation by 30 April of each year
- The Asset Manager will then consolidate all such reports and submit a recommendation to Council for approval.
- Valid reasons for the writing-off of fixed assets shall be the disposal, loss, theft, destruction, incorrect capitalizations or material impairment of these fixed assets
- (3) (a) Only the municipal council may authorise the public participation process referred to in sub regulation (1)(a).
(b) A request to the municipal council for authorisation of a public participation process must be accompanied by an information statement

Stating -

- the valuation of the capital asset to be transferred or disposed of and the method of valuation used to determine that valuation;
- the reasons for the proposal to transfer or dispose of the capital asset;
- any expected benefits to the municipality that may result from the transfer or disposal;
- Any expected proceeds to be received by the municipality from the transfer or disposal; and any expected gain or loss that will be realised or incurred by the municipality arising from the transfer or disposal.
- (4) The value of a capital asset must for purposes of sub regulation (3)(b)(i) be determined in accordance with the accounting standards that the municipality is required by legislation to apply in preparing its annual financial statements.
(5) In the absence of sufficient guidance in those accounting standards regarding the valuation of capital assets, any of the following valuation methods must be applied:
(a) Historical cost of the asset, adjusted for accumulated depreciation and any impairment losses as at the proposed date of transfer or disposal;
(b) Fair market value of the asset;

(c) Depreciated replacement cost of the asset; or

(d) Realisable value of the asset.(6) A municipal council may delegate to the accounting officer its power to make the determinations referred to in sub regulation (1)(b)(i) and to give the approval referred to in sub regulation (1)(b)(ii) in respect of movable capital assets below a value of R1 000 000 as determined by the municipal council.

16.4.1 Accounting treatment on Disposal

- An item of property, plant and equipment should be eliminated from the balance sheet on disposal or when the asset is permanently withdrawn from use and no future economic benefits or potential service delivery are expected from its disposal.
- Gains or losses arising from the retirement or disposal of an item of property, plant and equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the income statement.

16.4.2 The Supply Chain Management Policy

The asset management policy must be read together with section 10 of the Municipality's "Supply Chain Management policy" which sets out requirements for "Disposal Management" under the following headings:

- Disposal and letting of the municipality's assets and,
- Evaluation of offers for disposal and letting of assets

17 Accounting and financial statement disclosure

Fixed assets should be disclosed and accounted for in terms of GAMAP/GRAP 17 as applicable

17.1 Objective

To ensure that financial statement disclosures for fixed assets to be done in terms of GAMAP/GRAP 17 as applicable

17.2 Detailed disclosure requirements

- The Chief Financial Officer must ensure that relevant and current GAMAP/GRAP 17 accounting standards are applied for the disclosure of fixed assets on the financial statements
- The financial statements should disclose, in respect of each class of property, plant and equipment classified under the categories of Land and buildings, infrastructure, community, heritage, investment properties, intangible, leased, housing development fund and other assets:
 - The measurement bases used for determining the gross carrying amount. When more than one basis has been used, the gross carrying amount for that basis in each category should be disclosed.
 - The depreciation methods used.
 - The useful lives or the depreciation rates used.
 - Depreciation charged in arriving at net surplus or deficit for the period.
 - The gross carrying amount and the accumulated depreciation at the beginning and the end of the period.
 - A reconciliation of the carrying amount at the beginning and end of the period showing:
 - (i) additions

- (ii) disposal
- (iii) acquisition through business combinations
- (iv) increases or the decreases resulting from revaluations
- (v) deductions in carrying amount
- (vi) amounts written back
- (vii) depreciation
- (xi) other movements

- The financial statement should also disclose:
 - Whether or not, in determining the recoverable amount of items of property, plant and equipment, expected future cash flows have been discounted to their present values.
 - ✎ The existence and amounts of restrictions on title and property, plant and equipment pledged as security for liabilities.
 - ✎ The accounting policy for restoration costs relating to items of property, plant and equipment.
 - ✎ The amount of expenditures on account of property, plant and equipment in the course of construction, and
 - The amount of commitments for the acquisition of property, plant and equipment.
- When items of property are stated at re-valued amounts, the financial statements should disclose:
 - ✎ The basis used to revalue the assets.
 - ✎ The effective date of revaluation.
 - ✎ Whether an independent valuer was involved.
 - ✎ The nature of any indices used to determine replacement cost.

Asset Management Policy

- The carrying amount of each class of property, plant and equipment that would have been included in the financial statements had the assets been carried at cost less depreciation.
- The revaluation surplus, detailing the movement for the period.
- The portion of the depreciation charge relating to the revaluation.

18. APPENDIX "A" REVISED EXPECTED USEFUL LIVES FOR INFRASTRUCTURE ASSETS

MAJOR _G CODE	MAJOR GROUP	MINOR_ G CODE	MINOR GROUP	GROUP CODE	GROUP	EUL (YRS)	EUL (MONTHS)	CRITICALIT Y
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROAD NETWORKS	32101	BRIDGES VEHICLE CONCRETE	80	960	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROAD NETWORKS	32102		50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROAD NETWORKS	32103	BRIDGES VEHICLE TIMBER	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROAD NETWORKS	32104	BRIDGES PEDESTRIAN CONCRETE	80	960	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROAD NETWORKS	32105	BRIDGES PEDESTRIAN STEEL	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROAD NETWORKS	32106	BRIDGES PEDESTRIAN TIMBER	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROAD NETWORKS	32107	BRIDGES RAILWAY CONCRETE	80	960	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROAD NETWORKS	32108	BRIDGES RAILWAY STEEL	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROAD NETWORKS	32109	BRIDGES RAILWAY TIMBER	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROAD NETWORKS	32110	BRIDGES REINFORCE RETAINING WALLS EARTH	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROAD NETWORKS	32111	BRIDGES RETAINING WALLS CONCRETE	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROAD NETWORKS	32112	BRIDGES EXPANSION AND CONSTRUCTION JOINTS	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORMWATER NETWORK	32201	STORMWATER CULVERTS CONCRETE	50	720	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORMWATER NETWORK	32202	STORMWATER CULVERTS ARCO	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORMWATER NETWORK	32203	STORMWATER DRAIN EARTHQUAKES	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORMWATER	32204	STORMWATER DRAIN	50	600	

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	INFRASTRUCTURE		NETWORK		CONCRETE LINING			
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32001	STORMWATER NETWORK	32205	STORMWATER CATCH PITS	26	300	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORMWATER NETWORK	32206	STORMWATER PIPES	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORMWATER NETWORK	32210	STORMWATER ATTENUATION PONDS	20	240	
300000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORMWATER NETWORK	32211	STORMWATER OPEN CHANNELS LINED	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORMWATER NETWORK	32212	STORMWATER OPEN CHANNELS UNLINED	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORMWATER NETWORK	32213	STORMWATER PUMP STATION BUILDINGS	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORMWATER NETWORK	32214	STORMWATER PUMP STATION CIVIL WORKS	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORMWATER NETWORK	32215	STORMWATER PUMP STATION ELECTRICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORMWATER NETWORK	32216	STORMWATER PUMP STATION MECHANICAL	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	STORMWATER NETWORK	32217	STORMWATER PUMP STATION PERIMETER PROTECTION & FENCING	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32301	ROAD MUNICIPAL ASPHALT SURFACE	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32302	ROAD MUNICIPAL BASE STRUCTURE	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32303	ROAD MUNICIPAL CONCRETE SURFACE	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32305	ROAD MUNICIPAL GRAVEL SURFACE	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32316	ROADS PAVED SURFACE	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32401	ROADS KERB AND CHANNELS	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32402	ROAD CRASH BARRIERS	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32403	ROAD RETAINING WALLS EARTH	15	180	

Asset Management Policy

30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32404	ROAD OVERLOAD CONTROL CENTRES	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32405	ROAD OVERLOAD ELECTRONIC HARDWARE	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32406	ROAD OVERLOAD EQUIPMENT OTHER	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32407	ROADS PEDESTRIAN FOOTPATHS CONCRETE	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32408	ROADS STREET LIGHTNING	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32409	ROADS SUBWAYS	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32410	ROAD TRAFFIC ISLAND	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32411	ROAD TRAFFIC LIGHTS	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32413	ROADS TRAFFIC SIGNS	5	60	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32415	ROAD CALMING MEASURES	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32416	ROAD PERIMETER PROTECTION	15	180	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32417	ROADS RESERVE	0	0	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32418	ROAD MAJOR CULVERTS	50	600	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32419	ROAD OVERHEAD GANTRIES	80	960	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32420	ROAD PEDESTRIAN FOOTPATHS BRICKED	40	480	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32421	ROAD RETAINING WALLS CONCRETE	30	360	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32422	ROAD RETAINING WALLS CONSTRUCTION AND EXPANSION JOINTS	20	240	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32423	ROADS CONCRETE BOLLARDS	5	60	

Asset Management Policy

30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32424	ROADS PARKING METERS	10	120	
30000	OTHER STRUCTURES (INFRASTRUCTURE)	32000	ROADS NETWORK	32425	ROADS FURNITURE OTHER	10	120	



ALFRED DUMA LOCAL MUNICIPALITY

PETTY CASH POLICY

PETTY CASH MANAGEMENT POLICY

Definitions

1. **Petty Cash - Imprest Fund:** a petty cash fund that remains constant, containing cash or satisfactory evidence of disbursement (paid receipts) equal to the amount of the fund.

The following principles should apply to this type of petty cash fund.

- Petty Cash should be used to purchase small items only.
- Petty Cash should be used in emergency cases only.
- Petty Cash may be used for cash only suppliers.

2. **Custodian:** a person who has ultimate responsibility for petty cash funds.

Procedures

1. The designated custodian should sign for the entire petty cash fund.
2. The petty cash fund must be kept in a lockable cash box which must be stored in a safe.
3. Only the Head of Department or the designated custodian should handle petty cash funds.
4. All petty cash purchases must be approved by the appropriate Head of Department prior to any purchase and must be limited to a total of R10 000 per month per department. Individual transactions may not exceed R2000.00. This is in line with the approved Supply Chain Management Policy.
5. Petty cash funds may not be utilised for major services of any municipal vehicles.
6. Petty cash funds may be used for repairs of tyre punctures on municipal vehicles provided that a registered supplier from the municipal database is used. This is in line with the approved Supply Chain Management Policy.
7. Only the Manager: Department of Public Safety is authorised to purchase minor spares from petty cash up to an amount not exceeding R2000-00 per purchase provided that a registered supplier from the municipal database is used. This is in line with the approved Supply Chain Management Policy.
8. The designated custodian must maintain a petty cash book.
9. The petty cash fund and the petty cash book must be reconcilable at all times. The designated custodian must have the actual cash or a signed voucher for any cash that is expended.
10. A pre-numbered voucher should be prepared for each petty cash disbursement.
11. The Department of Finance is to provide Departments with pre-formatted, Numerically sequenced Petty Cash Voucher Books. It is the responsibility of each Head of Department to obtain and utilise these books accordingly.

12. Each petty cash voucher should be:
- dated,
 - contain an explanation of the expenditure and the original invoice,
 - indicate the line item number to be charged at the time of reimbursement of funds,
 - show the amount of expenditure numerically and in words,
 - be signed by the Head of Department,
 - be signed by the person receiving the money, and
 - be signed by the person disbursing the money.
13. Departments must claim actual expenditure incurred. The amount claimed must be rounded off.
14. Petty cash funds must not be used to cash personal cheques.
15. Petty cash funds must not be used to buy assets.
16. Petty cash funds must not be used for the payment of parking expense.
17. Petty cash funds must not be used for the payment of subsistence and travelling expenses
18. Petty cash funds may only be used for financing job creation payouts or casual pay-outs in exceptional cases as authorised by the Municipal Manager.
19. Toll fees in the Alfred Duma Municipal area can be claimed from petty cash. However, toll fee expenditure that is incurred outside the Alfred Duma Municipal area must be claimed in accordance with Council's approved Subsistence and Travelling Policy.
20. Only the Mayoral Office is authorised to use petty cash for petrol expense and toll fee claim that is incurred outside the Alfred Duma Municipal area.
21. Private funds should not be mixed with petty cash funds.
22. On a regular basis, the Internal Audit Section should count petty cash on hand and reconcile the amount counted to vouchers on hand and the petty cash book balance.
23. When petty cash is counted by the Internal Audit Section, the designated custodian must be present.
24. Each Head of Department must submit detailed monthly reports to Management on petty cash expenditure with details of the date, company name, description of service or product and the amount shown in the report.



ALFRED DUMA LOCAL MUNICIPALITY

SUBSISTENCE AND TRAVEL POLICY

1. OBJECTIVE

It is essential that representatives of the municipality from time to time travel to other cities and towns in order to establish and maintain links and relationships with other municipalities, government bodies, and other parties, institutions and organisations operation in the sphere of local government. It is important for representatives to broaden their knowledge and understanding of and compare local experiences in local government transformation, innovation and change in the rest of the country, and this can effectively be done only through the medium of personal contact with a wide range of local government stakeholders.

This policy sets out the basis for the payment of a subsistence and travel allowance for the purposes of such official travelling outside the Municipal boundaries.

2. RESPONSIBILITIES OF REPRESENTATIVES WHO TRAVEL ON BUSINESS OF THE MUNICIPALITY

- 2.1 Every representative who travels on the business of the municipality must comply with this policy in letter and in spirit;
- 2.2 Representatives who travel on the business of the municipality must appreciate, at all times, that they are ambassadors for the municipality, that their actions, conduct and statements must be in the best interests of the municipality, and that they must comply with any specific mandates they have been given;
- 2.3 If an employee is attending a meeting outside the municipal boundaries, and does not have a drivers licence the employee should be paid a bus fare as per computicket rates as it is not cost effective to let another official to drive an unlicensed official attending a meeting out of town;
- 2.4 Consistent with the municipality's performance monitoring and evaluation objectives, the Municipal Manager will ensure that a database of all representatives and official travelling is kept.

3. SUBSISTENCE AND TRAVEL ALLOWANCE

- 3.1 A subsistence and travel allowance is an amount of money paid by the municipality to a representative to cover the following expenses:-
 - 3.1.1 Meals (including reasonable gratuities);
 - 3.1.2 Incidentals such as refreshments, snacks, drinks etc;
 - 3.1.3 All business-related travel and
 - 3.1.4 Accommodation

- 3.2 A subsistence allowance does not cover any personal recreation, such as visits to a cinema, theatre or nightclubs, or sightseeing;
- 3.3 All travel claims should be submitted for processing and be approved by the HOD and the Municipal Manager latest 30 days after the event. Prior approval documentation must be attached to the travel claim form.

4. ENTITLEMENT TO A SUBSISTENCE AND TRAVEL ALLOWANCE

- 4.1 A representative may claim a daily subsistence allowance as provided in this policy with the understanding that all authorised personal expenses are covered by the subsistence allowance. No further expenses, with the exception of certain business expenses (see below), may be claimed;
- 4.2 The subsistence allowance may not be claimed without the representative having to furnish proof of expenses; Parking and Tollgate receipts must be attached when claiming for Subsistence and Travelling Allowance.
- 4.3 Entertainment of external business associates or contacts or clients or potential investors or potential clients falls outside the scope of the subsistence allowance and will be separately reimbursed (subject to prior approval where applicable). If a representative of the municipality has an entertainment allowance, this entertainment of external business associates or contacts or other parties must be claimed against the entertainment allowance;
- 4.4 A representative of the municipality must claim his or her subsistence allowance, as provided in this policy, preferably after embarking on any official trip.
- 4.5 No subsistence allowance will be paid, and representative will be entitled to a subsistence allowance, if the trip or travel is not related to the official business of the municipality. All travel on business of the municipality must be approved as such before a representative is entitled to a subsistence allowance;
- 4.6 For the purposes of a subsistence allowance, a representative shall mean:-
 - 4.6.1 Councillors and officials
 - 4.6.2 Any other representative specifically authorised to represent the municipality on a particular occasion.
- 4.7 When travelling, a parking receipt should be attached when claiming for Subsistence and Travelling.

5. CAR RENTAL AND OTHER TRAVEL COSTS

The procurement of the Air Travel by the Municipal Officials should take advantage of the negotiated discounted rates as directed by Circular 82 of the Municipal Finance Management Act No. 56 of 2003 (MFMA).

- 5.1 Municipalities are encourage to continue considering their own fleet first, where viable, prior to hiring of vehicles;
- 5.2 Only "A" or "B" category vehicles may be rented, unless it is more cost-effective to hire a more expensive vehicle (for example, when the number of representatives involved could justify the hire of a micro-bus);
- 5.3 Car rental must be approved as part of the travel package before the trip is embarked on. A representative who rents a vehicle whilst travelling on the business of the municipality without having received prior authorisation will only be reimbursed for the cost of the vehicle rental if proof of expenditure can be produced and the representative can demonstrate that vehicle rental was reasonably but unexpectedly necessitated by the circumstances;
- 5.4 If a representative has to utilise his or her personal motor vehicle outside the boundaries demarcated for the municipality he or she will be reimbursed at the tariff prescribed from time to time per kilometre or any other maximum amount prescribed from time to time by the Department of Transport. The distance, to which the reimbursement applies, must be the fastest distance or as recorded on the vehicle mileage recorder, between the Lister Clarence Building and the location where the official business is to be transacted. For employees that are stationed/reporting at Ekuvukeni offices, their official business trip will be recorded from their office at Ekuvukeni. Distances are available on website www.shellgeostar.co.za If the total number of kilometres for which such reimbursement is received exceeds 8 000 in any tax year, reimbursements for the excess kilometres over 8 000 will be taxed for PAY purposes;
- 5.5 All flights by representatives of the municipality shall be in economy class, unless another class of travel is specifically authorised by the Municipal Manager, Mayor or Executive Committee, as the case may be;
- 5.6 5.7 Where possible representatives must travel together, up to a maximum of four (4) in a vehicle, to minimise travelling expenses;

- 5.7 In addition to the above, in all cases the method of travelling which is the most beneficial to Council be used – where municipal transport is available such be used and it be expected from delegates to travel together as far as possible.

6. SUNDRY EXPENSES

Sundry expenses incurred in respect of airport taxes, parking fees, booking fees or toll fees will only be reimbursed with submission of the necessary proof. Where representatives qualify for toll concessions, only the cost of concession toll fees may be claimed. The cost of toll fees will be reimbursed in accordance with the SANRAL toll tariffs as at 1 March of each year and is available on the website www.nra.co.za

7. ACCOMMODATION COSTS AND SUBSISTENCE ALLOWANCE

The procurement of the accommodation should take advantage of the negotiated discounted rates as directed by circular 82 of the Municipal Finance Management Act NO. 56 OF 2003 (MFMA).

- 7.1 The actual cost of accommodation at the rate for a single room will be borne by the municipality provided the availability of resource and that the Supply Chain Management Processes are followed, in the following manner:
- 7.1.1 In respect of Full-time Councillors up to four (4) star accommodation
- 7.1.2 In respect of Councillors and Officials up to three (3) star accommodation
- 7.2 Council shall arrange for dinner, bed and breakfast accommodation. Should the employee not accept Council accommodation, the official may, with consent of the Municipal Manager, arrange his own accommodation in which even a maximum of R750.00 per day shall be payable. Original invoices from the accommodation must be attached to the claim form together with the original toll gate slips;
- 7.3 The Municipal Manager may authorise a higher amount if warranted and sleepover is also to be authorised by the Municipal Manager if the venue is less than 250 km from Emnambithi/Ladysmith Town;
- 7.4 If the cost of accommodation includes, as it often does, the provision of breakfast, a subsistence allowance of R90.00 per day will apply in respect of domestic travel. Where breakfast is excluded the subsistence allowance will be R150.00 per day.

- 7.5 That should an accommodation allowance be claimed, an amount of R150.00 be claimed in respect of breakfast;
- 7.6 Dinner allowance of R247.00 per night be provided when sleeping in a hotel or guest house. No alcohol to be paid for.
- 7.7 The recoverable cost of travelling and accommodation for travelling outside the borders of the Republic of South Africa is to be determined in terms of the Foreign Subsistence Allowance published by SARS on 1 March each year (Refer to Annexure A). The calculation will be at spot rate on the day on which the claim will be submitted for payment.
- 7.8 In the case of both domestic and international travel, the day of departure and the day of return each qualify for a subsistence allowance of R90.00;
- 7.9 For purposes of this policy, domestic travel shall mean travel within South Africa, and international travel shall mean travel to any country other than South Africa.

8. SUBSISTENCE ALLOWANCE IF TRAVEL OUTSIDE MUNICIPAL AREA IS FOR A DAY OR PART OF A DAY WITH NO OVERNIGHT STAY

- 8.1 If a representative is travelling internationally, approved South African Revenue Services rates as published are applicable. South African currency should be used in converting foreign currency on the day of paying out the subsistence allowance. If representatives travelling internationally are paid in excess of the South African Revenue Services rates, that such payment should be taxed.

9. WORKSHOPS ETC FINANCED BY COUNCIL

- 9.1 Accommodation, transport and meals will be arranged at the cost of Council. If any representative prefers accommodation of his/her own choice no subsistence allowance will be payable;
- 9.2 If Council transport not available, transport allowance is in number 5.

10. OVERTIME

If overtime is claimed for any event, no subsistence allowance shall be paid.

11. AUTHORISATION

- 11.1 For purposes of implementing this policy the following shall apply provided that in all instances the expenses to be incurred are on the approved budget;

- 11.2 Only the Municipal Manager or the Mayor as the case may be may authorise any travel of one day or part thereof to be undertaken by officials, or payments to be made for persons invited to Ladysmith for interviews;
- 11.3 Only the Executive Committee may authorise any travel of one (1) day or part thereof to be undertaken by the Mayor, Deputy Mayor, Speaker, any Councillor or the Municipal Manager, provided that the Municipal Manager in consultation with the Mayor may authorise such travel where time is limited to obtain Executive Committee approval;
- 11.4 Only the Executive Committee may authorise any travel in excess of one (1) day to be undertaken by any representative provided that the Municipal Manager or the Mayor as the case may be may authorise such travel where time is limited to obtain Executive Committee approval;
- 11.5 An invitation to attend a workshop, meeting or related event is not an automatic authorisation to attend such workshop or event. The required authorisation must still be obtained from the Municipal Manager or Mayor or Executive Committee, as the case may be.
- 11.6 Councillors should obtain prior authorization from the Speaker and the Municipal Manager will then approve

12. NON-ATTENDANCE OR PARTIAL ATTENDANCE AT ANY EVENT

Representatives to any conference, workshop or meeting must ensure that they arrive on time and attend until the conclusion of such event. If any representative fails to do so, the Executive Committee or the Municipal Manager, as the case may be, may recover part or all allowances and disbursements paid to enable such delegate or representative to attend such event, provided that such delegate or representative is afforded the opportunity to submit reasons for not being able to be present from the commencement to conclusion of such event.

13. STAFF ATTENDING LONG COURSES

- 13.1 That a long course will be any course attended for five (5) consecutive working days or longer;
- 13.2 Council shall arrange for dinner, bed and breakfast accommodation. Should the employee not accept Council accommodation, the official may, with consent of the Municipal Manager, arrange his own accommodation in which event a maximum of R750.00 per day shall

be payable. Original invoices from the accommodation must be attached to the claim form together with the original toll gate slips;

- 13.3 That if possible, employees attending long courses make use of official transport for the duration of the course, every second week fuel will be provided to return home;
- 13.4 That should it be necessary to utilise private transport the employee be remunerated at the Department of Transport's rates determined from time to time, and also in respect of each two weeks' period of the course to return home;
- 13.5 That the training costs as well as travelling and subsistence allowance for Protection Services Officers attending any Traffic Training College be paid by Council on condition that:-

13.5.1 Satisfactory progress reports be submitted monthly;

13.5.2 The employee enter into an agreement with Council whereby such employee undertakes to remain in Council's service for a period of three (3) years after the attendance of such courses, and should such an employee terminate his service with Council for any reason, the said costs shall be recovered from the employee on a pro rata basis.

14. TRAVEL ALLOWANCES

- 14.1 All Councillors receive a total remuneration package from the municipality that includes a travel allowance.
- 14.2 A Councillor has the discretion and may include a travel allowance in the total remuneration package.
- 14.3 A Councillor that elected to include a travel allowance within the total remuneration package structure must meet the following requirements:-
 - 14.3.1 The travel allowance may only be an amount up to the councillor's request on total remuneration package.
 - 14.3.2 A logbook acceptable to the South African Revenue Service (SARS) must be kept recording the official and private kilometres travelled;
 - 14.3.3 The travel allowance will be included in the IRP5 of a Councillor for purposes of accounting to SARS;
 - 14.3.4 On Income Tax Assessment, a Councillor must account to SARS for the use of the travel allowance.

14.4 Reimbursement Allowance for Travel:-

- 14.4.1 In addition to the travel allowance, as provided for under 16 above, a Councillor may claim for the official distances travelled within the Alfred Duma Local Municipal boundaries
- 14.4.2 Such official distances travelled shall be reimbursed in accordance with the applicable tariffs prescribed by the Department of Transport.
- 14.4.4 Employees participating in the travelling allowance scheme may request authority from the Municipal Manager to log kilometres travelled once they have exceeded their allocated monthly travel allowance of which the total kilometres (subsidized and additional) should not exceed 1000 km's per month
- 14.4.5 Section 56 employees shall be entitled to re-imburement of official travelling costs within the Alfred Duma Local Municipal boundaries of which prior approval must be obtained from the Municipal Manager and should not exceed 1000 kilometres per month
- 14.4.6 Section 54 employees shall be entitled to re-imburement of official travelling costs within the Alfred Duma Local Municipal boundaries of which prior approval must be obtained from the Mayor and should not exceed 1000 kilometres per month.
- 14.4.7 Engine Capacity for all vehicles claiming Travelling Allowance is capped at 3.0 litres.

15. OFFICIAL BUSINESS TRAVEL

- 15.1 Official business related travel is travel for any purpose that directly relates to the business or job of a Councillor and excludes travelling between the place of residence and ordinary place of work or business.
- 15.2 For the purpose of calculating official business travel the following shall be applicable for Councillors (be applied to either local or district)
 - 15.2.1 Local Municipalities
 - 15.2.1.1 Full-time Councillors who are allocated offices at the municipal precinct shall have their ordinary place of business at the municipal precinct;
 - 15.2.1.2 Part-time Proportional Representative Councillors shall similarly have ordinary place of business at the local municipal precinct, unless deployed to a specific ward;

15.2.1.3 Part-time Proportional Representative Councillors deployed to a specific ward shall have their ordinary place of business in that particular ward;

15.2.1.4 Part-time Ward Councillors shall have their ordinary place of business at their respective wards (ward office/home).

16. QUALIFICATION REQUIREMENTS OR ENTITLEMENT TO A REIMBURSEMENT FOR TRAVEL

16.1 A travel reimbursement may only be extended to Councillors that have included the travel allowance within the total remuneration package structure;

16.2 All travel on business of the municipality must be approved as such before a Councillor is entitled to claim for the travel reimbursement.

16.3 A Councillor will be reimbursed, in accordance with the kilometre tariff prescribed by the Department of Transport, for official business travel with their private vehicles;

16.4 A travel reimbursement claim must be supported by proof of such travel and related documents;

16.5 No travel claim will be paid, and no Councillor will be entitled to the reimbursement, if the travel is not related to the official business of the municipality.

17. PROCESS FOR TRAVEL REIMBURSEMENT

17.1 The duly prescribed claim form must be full completed by a Councillor;

17.2 The prescribed form must be submitted, within predetermined dates, to the Finance Department or the duly delegated official to be considered for reimbursement;

17.3 All claims will be reimbursed or paid with the next salary of such a Councillor;

17.4 A claim for a travel reimbursement must be supported by:-

17.4.1 A logbook acceptable to SARS recording the official kilometres travelled in a defined month;

17.4.2 Any relevant supporting documentation.

17.5 Staff members are permitted to submit claims three (3) days prior or by the latest thirty (30) days after any trip is undertaken on behalf of the municipality

18. COST OF MOVING / RELOCATION EXPENSES FOR SUCCESSFUL CANDIDATE

18.1 The council shall pay relocation costs in respect of Section 54 and 56 appointees be paid by the Municipality. The Municipality must obtain three quotations and shall pay the amount equals to the lowest quotation.

18.2 That should a staff member who have received benefit of relocation costs leave the employ of the Municipality within six (36) months from date of employment, such costs to be refunded to Council.

18.3 Should the service of the employee be terminated by council through no fault of his /her own, no refund shall be due to the Council.

18.4 In respect of each month or part thereof from the date of termination of such services to the date when the 36 month would have expired, refund 1/36 of the total cost of the assistance granted.

19. LEGAL REQUIREMENTS

In terms of Section 66 of the Municipal Finance Management Act No. 56 of 2003, the accounting officer of the municipality must report to the Council, in the format and for the period prescribed, all expenses relating to the officials/Councillors salaries, allowances and benefits, separately disclosing (inter alia) travel, subsistence and accommodation allowances paid.

**ALFRED DUMA LOCAL
MUNICIPALITY**

**FUNDING, RESERVES
AND
PROVISIONS POLICY**

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1. INTRODUCTION AND OBJECTIVE

The Council's objective is to ensure the long term financial sustainability of the municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines towards ensuring financial viability over the short and long term and includes funding, reserves and provisions requirements.

2. SECTION A: FUNDING POLICY

2.1 LEGISLATIVE REQUIREMENTS

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No 56 of 2003), an annual budget may only be funded from:

- 2.1.1 Realistically anticipated revenues to be collected, including grants;
- 2.1.2 Cash backed accumulated funds from previous years' surpluses not committed for other purposes, and
- 2.1.3 Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes.

The requirements of the MFMA are clear in that the budget must be cash – funded, i.e. cash receipts inclusive of prior period cash surpluses committed to this specific budget, must equal or be more than cash paid.

In determining whether the budget is actually cash funded and in addition ensuring long term financial sustainability, the municipality will use analytical processes, including those specified by National Treasury from time to time.

2.2 STANDARD OF CARE

Each functionary in the budgeting and accounting process must do so with judgment and care with the primary objective of ensuring that the objectives of this policy are achieved.

2.3 STATEMENT OF INTENT

The municipality will not pass a budget which is not cash – funded or where any of the indicators as listed in this document are negative, unless acceptable reasons can be provided for non-compliance and provided that the requirements of the MFMA must at all times be adhered to.

2.4 CASH MANAGEMENT

Cash must be managed in terms of the municipality's Cash Management and Investment Policy.

2.5 LIABILITY MANAGEMENT

Debt must be managed in terms of the municipality's Cash Management and Investment Policy.

2.6 FUNDING OF THE OPERATING BUDGET

2.6.1 INTRODUCTION

The municipality's objective is that the user of municipal resources must pay for such usage in the period in which it will occur.

The municipality recognises the plight of the poor, and in line with national and provincial objectives, commits itself to subsidising services to the poor. This may necessitate cross-subsidisation in some tariffs to be calculated in the budget process.

2.6.2 GENERAL PRINCIPLES WHEN COMPILING THE OPERATING BUDGET

The following specific principles apply when compiling the budget:

- a) The budget must be cash-funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;
- b) Growth parameters must be realistic and be based on historic patterns and adjusted for current reliable information;
- c) Tariff adjustments must be fair, taking into consideration general inflation indicators as well as the geographic region's ability to pay;
- d) Revenue from Government Grants and Subsidies must be in accordance with the amounts promulgated in the Division of Revenue Act, proven provincial transfers and any transfers from other municipalities;
- e) Projected revenue from service charges must be reflected as net (i.e. all billing less revenue foregone, including free basic services).
- f) Projected revenue from property rates must include all rates to be levied.
- g) For the purpose of the Cash Flow Budget all rebates and discounts must be deducted from the projected revenue.

- h) Only changes in fair values related to cash may be included in the cash flow budget. Changes to unamortized discount must be included in the Operating Budget. Employee related costs include contributions to non-current and current employee benefits. It is acknowledged that the non-current benefits' requirements are well above the initial cash capabilities of the municipality. It is therefore determined that the short term expenditure portion of employee benefits be funded from the current year operating cash surplus.
- i) Depreciation must be fully budgeted for in the operating budget. The funded and unfunded portion will be determined during the budgeting process.
- j) Contributions to provisions (non-current and current) do not form part of the cash flow for provisions, except for the current portion of post-retirement benefits relating to continued members for medical aid, long service awards and leave. It is necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed.

2.7 FUNDING OF THE CAPITAL BUDGET

2.7.1 INTRODUCTION

The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non-existent.

In order to achieve this objective, the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

2.7.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE

The capital budget can be funded by way of own cash, grants, public contributions as well as external loans.

Cash

The capital budget or portions thereof may also be funded from surplus cash generated in previous financial years. The cash must already be available and not be committed for other purposes or expected to be generated in the current or future years. The allocations of the funding sources from own contributions will be determined during the budget process.

Grants (Including Public Contributions)

Grants for capital expenditure have become a common practice, especially in order to extend service delivery to previously disadvantaged areas. While such grants are welcomed, care should also be taken that grant funding does not place an unreasonable burden on the residents for future maintenance costs which may be higher than their ability to pay.

The accounting officer will annually evaluate the long term effect of unusual capital grants on future tariffs, and if deemed necessary, report on such to Council.

Depreciation charges on assets financed from grants and donations must not have a negative effect on tariffs charged to the users of such assets. The Accounting Officer will put such accounting measures in place as to comply with this requirement as far as possible.

MFMA Circular 48, read with MFMA Circular 58 and 75, states that municipalities may treat the reclaimed VAT in respect of the expenditure from conditional grant funds as "own revenue". The municipality elects to utilise the full grant funding for the grant related projects.

External Loans

The municipality may only raise loans in accordance with its Cash Management and Investment Policy.

The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans raised, be included in the cash surplus for the year.

2.8 FUNDING COMPLIANCE MEASUREMENT

2.8.1 INTRODUCTION

The municipality must ensure that the annual budget or any subsequent adjustments budget complies with the requirements of the MFMA and this policy. For this purpose a set of indicators must be used as part of the budget process. These indicators include all the indicators as recommended by National Treasury as well as any additional indicators detailed in this policy.

2.8.2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

A positive Cash and Cash Equivalents position should be maintained throughout the year.

2.8.3 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS

The overall cash position of the municipality must be sufficient to include:

- a) unspent conditional grants;
- b) unspent conditional public contributions;
- c) unspent borrowings;
- d) VAT due to SARS;
- e) ceded investments;
- f) the cash portion of statutory funds such as the Housing Development Fund;
- g) other working capital requirements; and
- h) the cash position must be sufficient to back reserves as approved by the municipality and those portions of provisions as indicated in this policy.

INDICATORS

2.8.4 MONTHLY AVERAGE PAYMENT COVERED BY CASH AND CASH EQUIVALENTS ("CASH COVERAGE")

This indicator shows the level of risk should the municipality experience financial stress.

2.8.5 SURPLUS/DEFICIT EXCLUDING DEPRECIATION OFFSETS

It is probable that the operating budget including depreciation charges on assets funded by grants and public contributions, as well as on revalued assets, will result in a deficit.

As determined elsewhere in this policy it is not the intention that residents be burdened with tariff increases to provide for such depreciation charges. In order to ensure a "balanced" budget, the cash position must be determined.

Should a budget result in a deficit cash position, the budget will be deemed unfunded and must be revised.

2.8.6 PROPERTY RATES / SERVICE CHARGES REVENUE PERCENTAGE INCREASE LESS MACRO INFLATION TARGET

The intention of this indicator is to ensure that tariff increases are in line with macro- economic targets, but also to ensure that revenue increases for the expected growth in the geographic area are realistically calculated.

2.8.7 CASH COLLECTION % RATE

The objective of this indicator is to establish whether the projected cash to be collected is realistic and complies with section 18 of the MFMA.

The collection rate for calculating the provision for impairment of receivables must be based on past and present experience. Past experience refers to the collection rates of the prior years and present experience refers to the collection rate of the current financial year as from 1 July.

It is not permissible to project a collection rate higher than the current rate. Any improvement in collection rates during the budget year may be appropriated in an Adjustments Budget.

2.8.8 DEBT IMPAIRMENT EXPENSE AS A PERCENTAGE OF BILLABLE REVENUE

This indicator provides information as to whether the contribution to the provision for impairment of receivables is adequate. In theory it should be equal to the difference between 100% and the cash collection rate, but other factors such as past performance can have an influence on it. Any deviation must be motivated in the budget report.

2.8.9 BORROWING AS A PERCENTAGE OF CAPITAL EXPENDITURE (EXCLUDING GRANTS AND CONTRIBUTIONS)

This indicator provides information as to compliance with the MFMA in determining borrowing needs. The Accounting Officer must ensure compliance with the Municipality's Cash Management and Investment Policy.

2.8.10 GRANT REVENUE AS A PERCENTAGE OF GRANTS AVAILABLE

The percentage attained should never be less than 100% and the recognition of expected unspent grants at the current year-end as revenue in the next financial year must be substantiated in a report.

2.8.11 CONSUMER DEBTORS CHANGE (CURRENT AND NON-CURRENT)

The object of the indicator is to determine whether budgeted reductions in outstanding debtors are realistic.

Any unacceptably high increase in either current or non-current debtors' balances should be investigated and reported.

2.8.12 REPAIRS AND MAINTENANCE EXPENDITURE LEVEL

Property Plant and Equipment should be maintained properly at all times in order to ensure sustainable service delivery. The budget should allocate sufficient resources to maintain assets and care should be exercised not to allow a declining maintenance program in order to fund other less important expenditure requirements.

Similarly, if the maintenance requirements become excessive, it could indicate that a capital renewal strategy should be implemented or reviewed.

2.8.13 ASSET RENEWAL/REHABILITATION EXPENDITURE LEVEL

This indicator supports further the indicator for repairs and maintenance.

The Accounting Officer must, as part of the capital budget, indicate whether each project is a new asset or a replacement/renewal asset in order to determine whether the renewal program is sufficient or needs revision.

3 SECTION B: RESERVES AND PROVISIONS POLICY

3.1 INTRODUCTION

Fund accounting historically formed the major component of municipal finance in the IMFO standards.

After the change to Generally Recognised Accounting Practice (GRAP), fund accounting is no longer allowed.

The municipality, however, recognizes the importance of providing to the municipality itself, as well as its creditors, financiers, staff, and general public a measure of protection for future losses, as well as providing the necessary cash resources for future capital replacements and other current and non-current liabilities.

This policy therefore aims to provide for a measure of protection by creating certain reserves and provisions.

3.2 LEGAL REQUIREMENTS

There are specific legal requirements for the creation of reserves, such as the Housing Development Fund. The GRAP Standards themselves do not provide for reserves, although certain provisions are required in terms of GRAP.

3.3 TYPES OF RESERVES / PROVISIONS

Reserves / Provisions can be classified into two main categories being "cash funded" and "non-cash funded".

3.3.1 CASH FUNDED RESERVES

In order to provide for sufficient cash resources for future expenditure, the municipality hereby approves the establishment of the following reserves:

a) Statutory reserves

It may be necessary to create reserves prescribed by law, such as the Housing Development Fund. The Accounting Officer must create such reserves according to the directives in the relevant laws.

b) Self-Insurance reserves

The Municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that are not insured externally. This Reserve is ring-fenced within the accumulated surplus. Contributions to the Fund are considered annually during the Budget process.

3.3.2 NON – CASH FUNDED RESERVES / PROVISIONS

On occasion it is necessary to create non-cash funded reserves. The Accounting Officer must create reserves prescribed by the accounting standards, such as the Revaluation Reserve, if required, and provisions such as post-retirement benefits and rehabilitation of land fill sites.

3.4 ACCOUNTING FOR RESERVES AND PROVISIONS

3.4.1 REVALUATION RESERVE

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

3.4.2 OTHER RESERVES

The accounting for all other reserves must be processed through the Statement of Financial Performance. The required transfer to or from the reserves must be processed in the Statement of Net Assets to or from the accumulated surplus.

In terms of GRAP1 transactions may be directly appropriated against these reserves.

3.4.3 PROVISIONS

Provisions are established from contributions appropriated in the annual budget. Currently, the long term portions of provisions are non-cash funded and are covered by non-current assets.

4. SECTION C: REVIEW OF THE POLICY

This policy shall be for the period 2016/2017 financial year and shall be reviewed on an annual basis, to ensure that it is in line with the municipality's strategic objectives and with legislation.

ALFRED DUMA LOCAL MUNICIPALITY

KZN 238



Budget Policy

2017/18

DEFINITIONS

"Accounting Officer"-

(a) means the municipal official referred to in Section 60 of the Municipal Finance Management Act No. 56 of 2003, and includes a person acting as the Accounting Officer;

"Allocation", means-

(a) a municipality's share of the local government's equitable share referred to in section 214(1) (a) of the Constitution;

(b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;

(c) an allocation of money to a municipality in terms of a provincial budget; or

(d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"Approved budget," means an annual budget-

(a) approved by a municipal council, or

(b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Budget-related Policy" means a policy of a municipality affecting or affected by the annual

budget of the municipality, including-

(a) the tariffs policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

(b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or

(c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

"Budget Year" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

"chief financial officer" means a person designated in terms of section 80(2) (a) of the MFMA;

"councillor" means a member of a municipal council;

"creditor", means a person/entity to whom money is owed by the municipality;

"current year" means the financial year, which has already commenced, but not yet ended;

"delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

"financial recovery plan" means a plan prepared in terms of section 141 of the MFMA

"financial statements", means statements consisting of at least-

- (a) a statement of financial position;
- (b) a statement of financial performance;
- (c) a cash-flow statement;
- (d) any other statements that may be prescribed; and
- (e) any notes to these statements;

"financial year" means a twelve-month period commencing on 1 July and ending on 30 June each year

"financing agreement" includes any loan agreement, lease, and instalment purchase

contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

"fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"irregular expenditure", means-

- (a) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of section 170 of the MFMA;
- (b) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by a municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by a municipality which falls within the definition of "unauthorised expenditure";

"investment", in relation to funds of a municipality, means-

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

"lender", means a person/financial institution who provides debt finance to a municipality;

"local community" has the meaning assigned to it in section 1 of the Municipal Systems Act;

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998

(Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000

(Act No. 32 of 2000);

"long-term debt" means debt repayable over a period exceeding one year;

"executive mayor" means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

"municipal debt instrument" means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;

"municipal entity" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipality"-

(a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or

(b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"municipal tax" means property rates or other taxes, levies or duties that a municipality may impose;

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"official", means-

(a) an employee of a municipality or municipal entity;

(b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or

(c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"overspending"-

(a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;

(b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or

(c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"past financial year" means the financial year preceding the current year;

"quarter" means any of the following periods in a financial year:

(a) 1 July to 30 September;

(b) 1 October to 31 December;

(c) 1 January to 31 March; or

(d) 1 April to 30 June;

"service delivery and budget implementation plan" means a detailed plan approved by the executive mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

(a) projections for each month of-

(i) revenue to be collected, by source; and

(ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter; and

(c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(l) (c) of the MFMA;

"short-term debt" means debt repayable over a period not exceeding one year;

"standards of generally recognised accounting practice," means an accounting practice

complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board

"unauthorised expenditure", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes-

(a) overspending of the total amount appropriated in the municipality's approved budget;

(b) overspending of the total amount appropriated for a vote in the approved budget;

(c) expenditure from a vote unrelated to the department or functional area covered by the vote;

(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or

(f) a grant by the municipality otherwise than in accordance with the MFMA;

"virement" means transfer of funds between functions / votes

"vote" means-

(a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and

(b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

1. INTRODUCTION

The Budget process of the Municipality is regulated by Chapter 4 of the Municipal Finance Management Act, No. 56 of 2003 (MFMA).

In terms of the Municipal Finance Management Act, No. 56 of 2003, Chapter 4 on Municipal Budgets, Subsection (16), states that the council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year. According to subsection (2) of the Act concerned, in order to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

This policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realise diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals. In brief, the conceptualisation and the operationalisation of the budget must be located within the national government's policy framework.

2. OBJECTIVE

The objective of the budget policy is to set out:

- The principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget,
- The responsibilities of Council, the mayor, the accounting officer, the chief financial officer and other senior managers in compiling the budget
- To establish and maintain procedures to ensure adherence to the IDP review and budget processes.

3. BUDGETING PRINCIPLES

(a) The municipality shall not budget for a deficit except to the extent that the deficit arises as a result of depreciation that the municipality cannot afford to fully fund.

(b) The municipality should also ensure that revenue projections in the budget are realistic taking into account actual collection levels in conjunction with historic trends.

(c) Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.

(d) The Municipality shall prepare a three-year budget (medium term revenue and expenditure framework (MTREF) which will be reviewed annually and approved by Council.

(e) The MTREF budget must at all times be within the framework of the Municipal Integrated Development Plan.

4. BUDGET PREPARATION PROCESS

4.1. Formulation of the budget

- (a) The Accounting Officer with the assistance of the Chief Financial Officer and the Heads responsible for IDP and Performance Management shall draft the Schedule of key deadlines for the budget and allied processes for the municipality and its municipal entities for the ensuing financial year.
- (b) The schedule of key deadlines shall indicate the processes relative to the review of the IDP as well as the preparation of the medium term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.
- (c) The mayor shall table the IDP process plan as well as the budget timetable to Council by 31 August each year for approval (10 months before the start of the next budget year).
- (d) IDP Strategic workshop shall be convened in October/November with senior managers in order to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and political pressures facing the municipality.
- (e) The Mayor shall table the draft IDP and MTREF budget to council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies (policies on tariff setting, credit control, debt collection, indigents, investment and cash management, funding and reserves, etc).
- (f) The Chief Financial Officer and senior managers of all departments undertake the technical preparation of the budget together with the Budget Office.
- (g) The budget must be in the format prescribed by National Treasury, and must be divided into a capital and operational budget. The budget must be prepared on the MSCOA format.
- (h) The budget must reflect the realistically expected revenues by major source for the budget year concerned.
- (i) The budget must also contain the information related to the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the prior year, and the estimated revenues and expenses for the current year.

4.2. Public participation process

Immediately after the draft annual budget has been tabled, the municipality must convene public participation meetings on the draft budget in April and invite the public and stakeholder organisations, to make representations and to submit comments in response to the draft budget within stipulated timeframes as indicated by the municipality at these meetings and in notices published in local newspapers.

Invitations to the public and stakeholder organisations will be made via advertisements in any of the local newspapers.

4.3. Approval of the budget

- (a) Per legislation, Council shall **consider** the next medium term expenditure framework budget for approval not later than 31 May (at least 30 days before the start of the budget year).
- (b) The annual budget must be approved before the start of the financial year.
- (c) Should the municipality fail to approve the budget before the start of the budget year, the mayor must inform the MEC for Finance that the budget has not been approved.
- (d) The budget tabled at Council for approval shall include, inter alia the following draft resolutions:
 - i. draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;
 - ii. draft resolutions approving measurable performance objectives for each budget vote, taking into account the municipality's IDP;
 - iii. draft resolutions approving any proposed amendments to the IDP;
 - iv. draft resolutions approving any proposed amendments to the budget-related policies;
 - v. draft resolutions approving the contents of the annual budget and supporting documents in terms of Section 17 of the MFMA

4.4. Publication and submission of the budget

4.4.1 Draft Annual Budget

- (a) Immediately after the draft annual budget is tabled the Accounting Officer (AO) must make public the draft annual budget and its supporting documents and invite the local community to submit representations in respect of the draft annual budget.
- (b) Therefore the Manager Budget on behalf of the AO must place the budget and other budget related documentation onto the municipal website so that it is accessible to the public as well as submit both the printed and electronic formats to the National Treasury, the Provincial Treasury and any other prescribed Organs of State affected by the Budget.
- (c) The draft budget together with other budget related documentation including the Council Resolution approving the draft budget must be placed on the municipal website and submitted in electronic formation to Provincial and National Treasury on the next working day after the budget was tabled in Council. The hard copies must be submitted to National and Provincial Treasury within the timeframes as stipulated in the MFMA Budget Circular released by National Treasury for that particular year.

4.4.2 Approved Annual Budget

- (a) Within ten working days after the municipal council has approved the annual budget of a municipality, the municipal manager must in accordance with section 21A of the Municipal Systems Act make public the approved annual budget and supporting

documentation and the resolutions referred to in section 24 (2) (c) of the Municipal Finance Management Act No 56 of 2003;

(b) Within ten working days after the municipal Council has approved the annual budget, the municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form—

- > the supporting documentation within ten working days after the municipal council has approved the annual budget;
- > the approved service delivery and budget implementation plan within ten working days after the mayor has approved the plan; and
- > any other information as may be required by the National Treasury.

4.5. Service Delivery and Budget Implementation Plan (SDBIP)

(a) The Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.

(b) The SDBIP shall include the following components:

- i. Monthly projections of revenue to be collected for each source
- ii. Monthly projections of expenditure (operating and capital) and revenue for each vote
- iii. Quarterly projections of service delivery targets and performance indicators for each vote
- iv. Ward information for expenditure and service delivery
- v. Detailed capital works plan broken down by ward over three years

5. CAPITAL BUDGET

(a) The capital budget shall distinguish between rehabilitated, replacements and new infrastructure.

(b) A municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.

(c) The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.

(d) Before approving a capital project, the Council must consider:

- i. the projected cost of the project over all the ensuing financial years until the project becomes operational,
- ii. future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).
- iii. the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans,
- iv. Impact on depreciation of fixed assets,
- v. Impact maintenance of fixed assets, and
- iv. any other ordinary operational expenses associated with any item on such capital budget.

(e) Council shall approve the annual or adjustment capital budget only if it has been properly balanced and fully funded.

(f) The capital expenditure shall be funded from the following sources:

Revenue or Surplus

(a) If any project is to be financed from revenue this financing must be included in the cash budget to raise sufficient cash for the expenditure.

(b) If the project is to be financed from surplus there must be sufficient cash available at the time of execution of the project.

External loans

(a) External loans can be raised only if it is linked to the financing of an asset

(b) A capital project to be financed from an external loan can only be included in the budget if the loan has been secured or if it can be reasonably assumed as being secured

(c) The loan redemption period should in the main not exceed the estimated life expectancy of the asset

(d) Interest payable on external loans shall be included as a cost in the revenue budget

(e) Finance charges relating to such loans shall be charged to or apportioned only between the departments or votes to which the projects relate.

(f) The provisions of Section 46 of the Municipal Finance Management Act No. 56 of 2003 must also be complied with.

Grant Funding

(a) Non capital expenditure funded from grants must be budgeted for as part of the revenue budget;

(b) Interest earned on investments of Conditional Grant Funding shall be capitalised if the conditions state that interest should accumulate in the fund. If there is no condition stated, the interest can then be allocated directly to the revenue accounts.

6. OPERATING BUDGET

(a) The municipality shall budget in each annual and adjustments budget for the contribution to:

- i. provision for accrued leave entitlements;
- ii. entitlement of officials as at 30 June of each financial year;
- iii. provision for bad debts in accordance with its rates and tariffs policies;
- iv. provision for the obsolescence and deterioration of stock in accordance with its materials management policy;
- v. Depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate.

- (b) When considering the draft annual budget, council shall consider the impact, which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.
- (c) The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.
- (d) The operating budget shall reflect the impact of the capital component on:
 - depreciation charges
 - repairs and maintenance expenses
 - interest payable on external borrowings
 - other operating expenses.
- (e) The cost of indigency relief is separately reflected in the appropriate votes.

7. FUNDING OF CAPITAL AND OPERATING BUDGET

- (a) The budget may be financed only from:
 - i. realistically expected revenues, based on current and previous collection levels;
 - ii. cash-backed funds available from previous surpluses where such funds are not required for other purposes; and
 - iii. borrowed funds in respect of the capital budget only.

8. UNSPENT FUNDS / ROLLOVER OF BUDGET

- (a) The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure.
- (b) Only unspent grants (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budgeted year
- (c) Conditions of the grant fund shall be taken into account in applying for such rollover of funds
- (d) Application for rollover of funds shall be submitted to National Treasury by 30 August and if approved it will be included in the adjustments budget
- (e) No funding for projects funded from the Capital Replacement Reserve (if applicable to the municipality) shall be rolled over to the next budget year except in cases where a commitment has been made 90 days (30 March each year) prior the end of that particular financial year.
- (f) No unspent operating budget shall be rolled over to the next budget year

9. VIREMENTS BUDGET/ BUDGET TRANSFERS

The virements budget is covered in detail in a separate policy and is summarised as follows:

- (a) Budget transfers within the same vote shall be recommended by the Executive Director or his nominee and approved by the Chief Financial Officer or such other senior delegated official in the Budget and Treasury Department.
- (b) No budget transfers or virements shall be made to salaries.
- (c) Savings on allocations earmarked for specific capital projects may not be used for other purposes except with the approval of the Accounting Officer.
- (d) Savings may be utilised in the amount appropriated under a main expenditure category (e.g. Salaries, General Expenses, Repairs & Maintenance, etc.) within a vote towards the defrayment of excess expenditure under another main expenditure category within the same vote, with the approval of the Chief Financial Officer or such senior delegated official in the Budget & Treasury Department.
- (e) Savings in an amount appropriated for capital expenditure may not be used to defray operational expenditure.
- (f) Virements between votes shall be included in the adjustment budget where these arise before the preparation of the adjustments budget.

10. ADJUSTMENT BUDGET

- (a) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury, reflect the budget priorities and are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations regarding the revision of the IDP, SDBIP and the budget-related policies that may arise out of these adjustments to the budget.
- (b) Council may revise its annual budget by means of an adjustments budget as prescribed by legislation in terms of section 28 of the MFMA and regulation 23 of The Municipal Budget and Reporting regulations, which provides inter alia for the following:
 - (i) An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance Assessment has been tabled in the Council, but **not later than 28 February** of the current year.
 - (ii) Only **one** adjustment Budget referred to above may be tabled in the Municipal Council during a financial year, except:
 - when additional revenues are allocated to a municipality in a national or provincial adjustment budget or via institutional grants
 - to authorise unforeseen and unavoidable expenditure
 - to authorise roll-overs from the previous financial year
- (c) An adjustments budget must contain all of the following:
 - i. an explanation of how the adjustments affect the approved annual budget;
 - ii. appropriate motivations for material adjustments; and
 - iii. an explanation of the impact of any increased spending on the current and future annual budgets.
- (d) Any unappropriated surplus from previous financial years, if fully cash backed, may be used to balance any adjustments budget.

- (e) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.
- (f) Unauthorised expenses may be authorised in an adjustments budget.
- (g) In regard to unforeseen and unavoidable expenditure, the following apply:
 - i. The Mayor may authorise such expenses in an emergency or other exceptional circumstances;
 - ii. Any such expenditure-:
 - Must be in accordance with any framework that may be prescribed;
 - May not exceed R15 million;
 - Must be reported by the Mayor to the Municipal Council at its next meeting;
 - And must be appropriated in an adjustments budget which must be passed within 60 days of such expenditure being incurred.

11. BUDGET IMPLEMENTATION

11.1 Monitoring

- (a) The accounting officer with the assistance of the chief financial officer and other senior managers are responsible for the implementation of the budget, and must take reasonable steps to ensure that:
 - funds are spent in accordance with the budget;
 - expenses are reduced if expected revenues are less than projected; and
 - revenues and expenses are properly monitored.
- b) The Accounting officer with the assistance of the chief financial officer must prepare an adjustments budget when such budget is necessary and submit it to the Mayor for consideration and tabling to Council.
- c) The Accounting officer must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

11.2 Reporting

11.2.1 Monthly budget statements

- a) The accounting officer with the assistance of the chief financial officer must, not later than ten working days after the end of each calendar month, submit to the Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

This report must reflect the following:

- i) actual revenues per source, compared with budgeted revenues;
- ii) actual expenses per vote, compared with budgeted expenses;
- iii) actual capital expenditure per vote, compared with budgeted expenses;
- iv) actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- v) the amount of grant - allocations received, compared with the budgeted amount;

- vi) actual expenses against allocations, but excluding expenses in respect of the equitable share;
 - vii) explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
 - viii) the remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and
 - ix) projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.
- b) The report to the National and provincial Treasuries must be both in electronic format and in a signed printed formats.

11.2.2 Quarterly Reports

- a) The Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality.

11.2.3 Mid-year budget and performance assessment

- a) The Accounting officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.
- b) The Accounting officer must then submit a report on such assessment to the Mayor (Exco) by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.
- c) The Accounting officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

12. CONCLUSION

The respective Heads must place on the municipality's official website the following:

- the annual and adjustments budgets and all budget-related documents;
- all budget-related policies;
- the integrated development plan
- the annual report;
- all performance agreements;
- all service delivery agreements;
- all long-term borrowing contracts;
- all quarterly and mid-year reports submitted the Council on the implementation of the budget and the financial state of affairs of the municipality.

Quality certificate

I, S S Ngiba, Acting Municipal Manager of the Alfred Duma Local Municipality, KZN 238 hereby certify that the final 2017/2018 budget and supporting documentation has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the final budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Sibusisiwe Sixolile Ngiba

Acting Municipal Manager of Alfred Duma Local Municipality (KZN238)

Signature: 

Date: 2017/05/15